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INDEX

TO

REPORTS OF COMMITTEES

OF THE

HOUSE OF REPRESENTATIVES

FOR THE

FIRST SESSION OF THE FORTY-FOURTH CONGRESS,

1875-'76.

Volume 1.....Nos. 1 to 342 inclusive.
Volume 2.....Nos. 343 to 440 inclusive.
Volume 3.....Nos. 441 to 622 inclusive, except 579.
Volume 4.....No. 579.
Volume 5.....Nos. 623 to 784 inclusive.
Volume 6.....Nos. 785 to 793 inclusive.
Volume 7.....Nos. 794 to 814 inclusive, except Nos. 799 and 800.
Volume 8.....Nos. 799 and 800.
Volume 9.....Nos. 815 to 842 inclusive.

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INDEX

TO

REPORTS OF THE COMMITTEES

FOR THE

FIRST SESSION OF THE FORTY-FOURTH CONGRESS.

Subject.	Vol.	No.
Appropriations, Committee on—		
Holman—		
Post-office appropriation for the year ending June 30, 1877	3	441
Randall—		
Legislative, executive, and judicial appropriations	1	221
Singleton—		
Consular and diplomatic appropriations	1	23
Centennial Celebration, Committee on the—		
Hopkins—		
Centennial Celebration	1	1
Claims, Committee of—		
Bradley—		
Samuel W. Abbott	5	705
Solomon Books	3	525
Van B. Bowers	3	523
John B. Chapman	1	48
C. B. Davis and others	3	526
Herman Kreisman	1	66
Margaret Lamb	3	520
James W. Love	3	521
William H. Nessle	1	43
Annie W. Osborne	5	706
Charles C. Reynolds	3	522
William Rule	1	341
Julia E. Seeley	5	704
Julia E. Seeley	5	707
Nathaniel G. Smith	3	519
H. R. Trampton	3	524
James H. Veazie	5	708
B. F. West & Co	1	247
Bright—		
Alexander & Co	7	808
Allowance of certain claims reported by the accounting officers		
of the Treasury	1	245
Albert Grant	2	415
E. J. Gurley	7	804
James G. Harrison	2	416
Thomas M. Howard	7	805
North Carolina cotton claim	7	803
Joseph W. Parrish	7	806
S. W. Price & Co	7	807
Brown—		
E. D. Franz	1	182
J. E. Panky	3	517
Louis Rosenbaum	1	181

Subject.	Vol.	No.
Claims, Committee of—Continued.		
Cason—		
W. C. Callahan	1	306
William G. Ford	2	424
Charles Mason	1	305
Cochrane—		
Martha A. Ashburn	5	664
H. G. Boardman	1	300
James S. Caddall	1	179
James S. Chrisman	1	180
Patrick H. Jones	7	795
J. R. Mauran <i>et als</i>	5	668
William McIndor	5	696
Thomas A. Nicholson	5	781
John I. Thomas	5	697
C. H. Walker	5	698
Virginia E. White	5	782
Neal—		
James M. Coffinberry	1	8
Louisville Baptist Orphans' Home	5	631
Celia C. Short	2	423
Mrs. O. F. Short	2	421
L. A. Thrasher and Mrs. C. E. Short	2	422
Phillips—		
Capt. Samuel Adams	3	512
James B. Armstrong	1	42
Baltimore Bridge Company	2	419
Ezra B. Barnett	1	17
Thomas S. Bartlett	5	630
John C. Clendenin	5	709
D. E. Cooper	1	7
Sarah E. Garland and Frank M. Hoppin	3	513
Lewis Goodwin	1	100
Richard Hawley & Sons	5	710
H. P. Jones & Co.	3	515
J. H. Jones	1	67
John Kiernan	3	516
E. B. McPherson, jr	3	514
Appleton Oaksmith	2	420
William J. Pollock	1	246
Jackson T. Sorrels	2	418
William P. Stowe	1	184
Pratt—		
Samuel J. Crawford	5	759
Ariel K. Eaton and Joseph I. Jenkins	1	304
Jonathan White	3	518
Robbins—		
Sarah F. Albertson	1	342
Andrew J. Barrett	1	228
W. P. Burwell	3	611
Internal-revenue taxes on bonds of city of Macon, Georgia	2	417
Orloff Johnson	3	612
John A. Parker	3	613
De Witt C. Senter	1	21
Tarbox—		
Floyd C. Babcock	2	425
John T. Bristow	1	98
Charles W. Button	5	628
John C. Clark, heirs of	1	68
Compensation for lands ceded by treaty of Washington of July 9, 1842	1	99
G. W. Ford	5	626
Horace Glover	1	22
James Graham	5	625
Emerick W. Hansell	2	426
William S. Mitchell	5	627

Subject.	Vol.	No.
Claims, Committee of—Continued.		
Tarbox—		
Charles B. Roberts	5	629
Samuel B. Stauber	3	576
Claims, Private Land, Committee on—		
Ainsworth—		
Caleb L. Brayton	3	463
Thomas Van Duzen	1	69
Buckner—		
Mission of Saint James, Washington Territory	1	189
New Madrid locations	1	227
New Madrid locations	2	437
Candler—		
Lands in San Mateo County, California	5	639
Gunter—		
Hot Springs reservation	2	351
Joyce—		
Private land-claims in New Mexico	1	50
Ketcham—		
Heirs of William Stevens	1	71
John A. Sutter	5	718
Levy—		
Jacob Cramer	5	640
Mrs. Myra Clark Gaines	5	641
Parsons—		
The Santillan grant	2	345
Powell—		
Samuel Ware	1	106
Commerce, Committee on—		
Dunnell—		
James Allender	1	307
Old Dominion Steamship Company	3	621
Port of La Crosse, Wisconsin	2	390
Removal of obstructions in Ohio River	3	622
Kehr—		
Town of West Point, Virginia	1	185
Pierce—		
Compulsory pilot-fees	2	392
Piper—		
Releasing title to property in San Francisco, California	1	248
Reagan—		
Amend sections of titles 48 and 52, Revised Statutes, Commerce and Navigation	1	292
Protection of life on vessels	2	388
Security of life on steam-vessels	2	387
To amend sections of titles 48 and 52	1	97
Ward—		
Hawaiian bark "Arctic"	1	44
Merchant seamen	2	435
Treaty with Canada	1	9
Treaty with Canada	2	389
District of Columbia, Committee on the—		
Buckner—		
District of Columbia	5	702
Education and Labor, Committee on—		
Hoar—		
William and Mary College	1	203
Elections, Committee on—		
Brown—		
Platt vs. Goode	5	762
Harris—		
Bromberg vs. Haralson	1	294
Cox vs. Strait	2	391
Lee vs. Rainey	3	578
Le Moyne vs. Farwell	2	385

Subject.	Vol.	No.
Elections, Committee on—Continued.		
House—		
Fenn <i>vs.</i> Bennett	5	624
Spencer <i>vs.</i> Morey	3	442
Poppleton—		
Abbott <i>vs.</i> Frost	5	653
Thompson—		
Butts <i>vs.</i> Mackey	5	758
Finley <i>vs.</i> Walls	1	295
Expenditures in the Interior Department, Committee on—		
Mutchler—		
Management of the Government Hospital for the Insane	6	793
Surveys in the Territory of Wyoming	6	794
Expenditures in the Department of Justice, Committee on—		
Caulfield—		
Disbursements under the registration act	8	800
Durham—		
Fees paid United States attorneys	1	298
Expenditures in the Navy Department, Committee on—		
Beebe—		
Tilton, Wheelwright and Co.	6	788
Expenditures in the State Department, Committee on—		
Caldwell—		
Charges against John A. Bridgland	5	760
Expenditures in the War Department, Committee on—		
Charges against Hon. M. C. Kerr	5	654
Malfeasance of W. W. Belknap, late Secretary of War	1	186
Management of the War Department	8	799
Expenditures on Public Buildings, Committee on—		
Poppleton—		
Construction of New York post-office building	5	761
Federal Offices in Louisiana, Committee on—		
New—		
Federal offices in Louisiana	9	816
Foreign Affairs, Committee on—		
Faulkner—		
Notice of termination of treaty with German Empire	1	96
H. Gold. Rogers	1	20
Hewitt, A. S.—		
“Emma Mine” investigation	3	579
Treaty with China, (bark Caldera)	1	264
Monroe—		
Convention between United States and Mexico	3	614
Ralph King	3	528
Springer—		
Venezuela Mixed Commission	6	787
Swann—		
Connection of Hon. Robert C. Schenck with the “Emma Mine” and “Macabado” claim	1	123
Freedman's Bank, Committee on the—		
Douglass—		
Freedman's Bank	3	502
Impeachment, Board of Managers of—		
Lord—		
Impeachment of W. W. Belknap	7	791
Indian Affairs, Committee on—		
Boone—		
L. T. Marshall	1	257
Pawnee reservation	1	241
Sioux Indian lands	5	674
Spencer Mead	5	741
Lane—		
F. B. Culver	5	642
Morgan—		
Brothertown reservation, Wisconsin	3	445

Subject.	Vol.	No.
Indian Affairs, Committee on—Continued.		
Morgan—		
Eastern band of Cherokee Indians.....	5	647
A. B. Greenwood	5	785
Moses Ladd and John L. Williams.....	5	646
Stockbridge and Munsee Indians.....	7	813
Scales—		
M. A. Hance	1	314
John Phillips	5	643
Seelye—		
Reddick McKee	1	202
Reuben Wright	1	256
Sparks—		
Benjamin F. Beveridge	5	644
John Jackson	5	645
Transfer of Indian Bureau	1	240
Steele—		
Settlers in Wind River Valley.....	5	740
Tufts—		
José Maria Gonzales.....	5	650
W. M. Morrison.....	1	315
Mariana Tresaree.....	5	649
Van Vorhes—		
Article 10 of the treaty with the Pottawatomie Indians.....	1	70
Pottawatomie Indians	1	291
Wilshire—		
Choctaw Indians.....	3	499
Indian Territory, (province of Oklahoma).....	1	299
Invalid Pensions, Committee on—		
Bagby—		
Mrs. Ann Annis	3	538
Emma M. Ashenfelter	9	835
Mary C. Axline.....	3	585
James M. Bailey.....	3	590
Gordon B. Barnes	1	148
Margaret C. Bell	1	143
Smith Bell.....	2	370
Jonas A. Bigelow.....	2	405
Eliza A. Blaze.....	3	589
Eliza Jane Blumer.....	1	145
Jefferson Bowers	1	85
Harriet Bowman	2	373
Anna Brasce	2	374
Thomas W. Brown	5	686
William Buckley.....	3	537
Clara Burch.....	1	113
Susan A. Chase	3	587
Bridget Collins.....	5	684
Norman Comstock.....	5	694
Jane Conroy	2	399
Helia A. Cooksey.....	1	151
Lafayette Decker.....	2	369
Eleanor Douglas	2	403
Elizabeth T. Dubois	2	401
Harriet C. Dunham.....	1	320
Morris Dwight.....	1	57
Samuel D. Fall.....	2	372
Mrs. Almira Forbes	5	688
Thomas J. Fox.....	2	406
John Frey	3	546
Thomas Galloway.....	2	408
W. H. H. Gillespie	2	384
Patrick Glackin	1	11
John Haley	2	402
Nancy A. Hammond.....	1	322

Subject.	Vol.	No.
Invalid Pensions, Committee on—Continued.		
Bagby—		
Christian Hemeluke.....	1	142
Thomas W. Hewitt.....	3	535
Juliet A. Hendrickson	3	533
Henry W. Higley.....	1	319
Dalton Hinchman.....	3	534
Mary B. Hook.....	1	144
Elizabeth R. Hull	1	60
Arthur W. Irving	3	532
Mrs. Lydia Johnson	1	87
Elvira Kidd.....	3	539
James Kile.....	5	692
John Langland.....	5	690
Harris B. Lovell.....	1	84
Josep McHenry	1	149
Hattie D. McKain	1	10
Mary F. McKeever.....	3	591
Lewis A. McLaughlin	1	321
Mary McLain	2	371
Aaron H. Miller	2	404
Mary Moore.....	9	833
Lydia A. Morris	1	58
Ruth Isabella Naylor	1	13
John T. Neale.....	2	397
Charles W. Parker	5	685
Amelia L. Parson.....	1	147
Americus D. Patterson.....	2	398
Theodore Pillard	5	689
Martha L. Reams.....	5	683
William Reynold.....	5	682
Martha J. Robinson.....	5	693
Mary Rogers.....	5	691
Bridget Rooney	2	400
Annie Rundlet	2	396
Henry Schuetberg.....	1	12
Mary A. Secor.....	9	834
William C. Shernoneck.....	3	540
Mathew Sowers	1	150
John H. Stewart	1	59
James W. Thompson	1	86
George M. D. Thornton.....	1	274
James B. Treadwell	3	531
Emma A. Tuttle.....	1	141
Emily E. Weiss	2	407
Jane N. Willard.....	1	140
Edward Wilson	5	687
Anson K. Young.....	3	588
Thomas Zeiler.....	1	146
Henry Zeiss.....	3	586
Bliss—		
Cynthia H. Abbott	3	566
Sarah Barry.....	1	282
George W. Bates	1	285
Robert Brady	3	570
David Britton.....	1	119
Sarah A. Bryant.....	3	571
Mrs. Mary A. Doyle.....	1	121
Catherine Ferry.....	3	568
Mary F. Hall.....	1	284
Thomas L. Kingsley.....	3	567
George W. Leanny	1	283
Elizabeth Marsland	3	569
Margaret May.....	1	286
Francisco Quesado	1	122

Subject.	Vol.	No.
Invalid Pensions, Committee on—Continued.		
Bliss—		
Mary Reed.....	1	287
Dr. P. F. Reuss.....	3	577
Martha Westervelt.....	2	378
Hewitt, G. W.—		
Mary P. Abeel.....	1	89
William Abendroth.....	3	607
Mary A. Allen.....	1	289
Amending pension laws.....	1	117
John L. Bartley.....	1	234
John L. Britton.....	1	288
Carlisle Bridges.....	1	338
F. M. Brunner.....	1	337
Daniel Clary.....	3	529
Oscar T. Collins.....	2	413
Mary Jane Dulaney.....	1	65
Annie Farley.....	1	41
John A. Godfrey.....	1	115
Jane B. Gillespie.....	3	604
Sarah J. Goss.....	2	379
Mary S. Greenlee.....	1	153
Catherine Greybig.....	1	91
William A. Henderson.....	1	92
Benjamin Hickey.....	2	412
Melvina Ingle.....	1	235
Lemuel L. Laurence.....	3	530
Susan W. Marshall.....	3	608
Elizabeth R. McCracken.....	1	236
William McLay.....	2	381
Harrison Mitchell.....	1	88
Elizabeth A. Neibling.....	1	16
Antone Neiss.....	2	380
Mary F. Parker.....	1	339
John Pope.....	1	90
Charles L. Rugg.....	3	605
Frederick W. Smith.....	3	606
Susan Ellen Stewart.....	1	340
Mrs. Hannah W. Sumner.....	1	233
Nancy Tipton.....	1	152
Jenks—		
Clara L. Attleter.....	5	120
Elizabeth F. Beale.....	1	204
Jane Berthoff.....	1	125
Nancy H. Blackwell.....	1	273
Deana Breysacker.....	1	209
Henry Brown.....	1	137
Charles Bugbee.....	1	272
Daniel Cay.....	5	127
Griffith Chavers.....	1	136
Thomas Crawford.....	1	270
Edward Dempsey.....	1	271
Edward F. Eddy.....	1	317
Oliver T. Everhardt.....	2	368
John H. Garrison.....	1	129
Lawrence Grass.....	1	138
Ruth Ellen Greeland.....	1	31
John L. Hale.....	1	134
Mrs. Rebecca S. Harrison.....	3	584
Matilda and Mary Heymes.....	5	723
Frederick Hoch.....	1	128
Oliver H. Irons.....	3	553
Andrew Jackson.....	3	554
Harvey B. Kilborn.....	1	126
Mrs. Matilda King.....	1	205

Subject.	Vol.	No.
Invalid Pensions, Committee on—Continued.		
Jenks—		
Reese Lammey.....	5	724
Thomas Leach.....	1	135
Thomas H. Martin.....	1	318
George Martz.....	3	583
Elizabeth McClancy.....	1	269
Samuel Mercer and Mary F. Mercer.....	5	722
Rose Miller.....	1	208
George Pendleton.....	1	127
Angelina Powers.....	5	725
Norain W. Pratt.....	1	207
William Quentine.....	5	721
Gilbert Reed.....	1	133
Ritchie, widow of Captain David.....	2	367
Mrs. Maria A. Rousseau.....	1	238
Emily Schwartz.....	1	210
Thomas Shannon.....	1	130
Adam Smouse.....	1	206
Thadeus S. Stewart.....	3	556
J. W. Thornton.....	1	316
Mrs. Julia H. Totten.....	3	555
Nancy True.....	1	280
Samuel A. Wilborne.....	5	726
Fannie S. White.....	1	124
Catherine A. Winslow.....	5	719
James Woolsey.....	1	132
Frederick Youngblue.....	1	131
Purman—		
W. R. Duncan.....	1	33
Francis C. Elliott.....	1	34
Rainey—		
George Bonitwall.....	1	177
Peter Campbell.....	3	564
W. D. Cobough.....	1	32
Mary Ann Cornell.....	1	176
George Grove.....	5	730
Jeanette McClelland.....	1	178
David McComb.....	1	220
Mrs. Fannie E. Record.....	1	63
Jonathan Roberts.....	1	175
Elizabeth B. Thomas.....	1	114
Minerva Williams.....	3	603
John E. Wunderlin.....	1	94
Rice—		
Elias Anderson.....	5	777
William Anderson.....	1	214
John H. Brittain.....	5	774
Henry Burk.....	1	324
Judson W. Caldwell.....	5	775
Robert Cavanaugh.....	1	81
Richard A. Cullison.....	3	595
Francis Curran.....	1	212
Gustin Dorris.....	9	840
William J. Drake.....	1	112
Butler Fitch.....	1	211
George Fritz.....	3	601
Catherine H. Gallagher.....	9	838
John Gropper.....	1	213
John Hamilton.....	3	598
Ada L. Harrison.....	5	779
Edward Heingle.....	1	82
Nicholas W. Johnson.....	5	778
Sarah J. King.....	1	215
Anna Kockinger.....	5	776

Subject.	Vol.	No.
Invalid Pensions, Committee on—Continued.		
Rice—		
Mrs. Rebecca C. Maxwell	5	737
Mary Ann McDonald	1	183
Alman F. Mills	2	375
Ellen Morrow	1	323
Michael O'Brien	1	139
Joseph Odell	3	597
Eugene O'Sullivan	3	595
Pension Laws	1	293
Thomas B. Powers	3	599
James Riley	1	111
John Thompson	3	600
Caroline Vogle	1	218
Julia Walkins	9	839
Henry H. Wharff	1	216
J. M. Whilty and others	3	602
Wiley G. Woody	1	217
Amos A. Yeakel	5	180
Rusk—		
Sarah W. Bacon	5	713
James C. Bates	1	330
Frances Bernard	1	62
Penelope C. Brown	1	157
Mary Bell Decker	1	164
Margaret A. Coloney	5	712
Green Edwards	1	328
Ellen Fechtel	3	448
Alman P. Graves	1	162
Levi D. Hayward	1	321
Pennetta Hendley	1	154
Seth W. Homested	1	163
Melville H. Hudson	1	160
James Johnston	3	450
Joseph B. Lane	1	158
G. W. La Pointe	1	15
Mary I. Lebow	5	715
George McColley	3	446
Sarah McCovey	3	452
John McIntire	1	161
William McKay	1	156
Herman Nettlefield	1	332
Margaret A. Northen	1	325
James P. Owen	1	155
John G. Parr	1	14
John J. Partillo	1	326
Kate Louise Roy	3	447
Phillip J. Shaw	1	159
William F. Simons	1	61
Thomas Smith	3	453
Alexander St. Bernard	1	3
John A. Sutter	5	718
William Thomas	1	321
Jonathan R. Tilman	6	726
Robert S. Toland	1	329
I. C. Watson	5	717
Benjamin C. Webster	3	449
Thomas F. Wildes	3	409
Martha A. Williamson	5	714
Hannah A. Wood	3	451
Sinnickson—		
Nelson Ainslie	3	541
Charles L. Allen	1	172
H. H. Anderson	1	93
A. M. Atwood	5	771

Subject.	Vol.	No.
Invalid Pensions, Committee on—Continued.		
Sinnickson—		
Barton R. Baker	1	333
Catharine Barnes	3	592
Joshua W. Black	1	281
Lavinia A. Bowker	1	334
Martha I. Brown	2	383
William Buchanan	1	174
Margaret E. Cogburn	1	40
Mary E. Day	3	594
William M. Drake	1	173
Sarah Emmons	1	231
Mrs. Henrietta J. Foust	1	336
David J. Garrett	1	64
Jerusha A. Goodrich	1	171
Catharine Hagan	3	542
John Haley	1	229
Bridgett T. Happer	1	278
William H. Harrison	1	165
Emanuel B. Herr	1	168
Mary A. Hough	1	276
Catherine Johnson	1	167
Henry H. Kaiser	1	232
Allanson Kitteridge	1	277
Anna M. May	5	772
Eliza McConnell	3	593
David P. McDonald	1	166
Asa Morse	5	770
Maggie A. Nobles and Daniel G. Nobles	3	544
John O'Hea	1	275
Thomas Pulling	2	410
Mrs. Martha R. Robinson	1	230
Anson B. Sams	5	773
Samuel Shaefer	2	411
Lucinda Starmes	1	335
Elizabeth D. Stone	3	543
Nicholas Strite	1	170
Edward C. Wheelock	1	39
Daniel Willait	1	169
James R. Wood	2	382
Warren F. Wood	1	279
Wilson, B.—		
Otis B. Anderson	1	38
Jane A. Harris	1	37
Yeates—		
Aaron Buchanan	1	110
Mary A. Casterweller	2	376
Abigail Dawney	2	377
Elizabeth B. Dyer	1	36
Julia A. Schutt	1	219
Margaret E. West	1	35
Judiciary, Committee on the—		
Asche—		
Fourteenth (14) section of act to establish United States courts, approved September 24, 1789	1	225
Hugh W. Mercer	2	348
Caulfield—		
Robert Erwin	1	6
Expenses of district judges	1	226
Heirs of Samuel Rhea	1	102
Hunton—		
Charges against Hon. J. Proctor Knott, (views of the minority) ..	9	842
Direct taxes in the insurrectionary States	1	46
Hurd—		
Charges against Hon. J. Proctor Knott	7	801
George W. Sampson and Benjamin Herricks	5	632

Subject.	Vol.	No.
Judiciary, Committee on the—Continued.		
Knott—		
Articles of impeachment of W. W. Belknap.....	2	345
Impeachment of W. W. Belknap.....	1	222
Lawrence—		
Pacific Railroad.....	2	440
Daniel W. Perkins.....	9	837
Lord—		
Alabama claims.....	1	5
Alabama claims, (Geneva award).....	1	243
Charges against Hon. Charles Hays.....	6	792
China mail service.....	9	815
William W. Handlin.....	1	224
Testimony of accomplices in criminal cases recommended.....	2	352
McCrary—		
L. Madison Day.....	1	308
John C. Hale.....	5	738
Judgment liens.....	2	395
Newton S. Murphy.....	2	428
Pacific Railroad.....	7	809
Stephen Powers.....	5	731
To re-organize the Judiciary.....	1	45
Military Affairs, Committee on—		
Banning—		
William F. Bryson.....	1	258
Contracts to furnish head-stones.....	7	802
John S. Dickson.....	2	364
John Gowers.....	1	260
David M. Hockstier.....	3	454
Dorothen Irons.....	2	362
Thompson P. McCoy.....	1	259
J. T. McGinnis.....	3	498
Reduction of Army officers' pay, &c.....	2	354
James M. Leeds.....	5	655
Lieutenant James B. Sinclair, United States Army.....	1	190
Cook—		
Equalization of bounties.....	1	239
Dental surgeons in Army and Navy.....	5	743
David J. Ezekiel.....	3	479
Indian hostilities in Oregon and California.....	1	297
John Jenkins.....	3	565
W. M. Moore.....	3	481
James A. Ranton.....	3	478
David Rhea.....	9	831
Christopher W. Roberson.....	5	742
Settlement with certain railroad companies.....	9	832
Surgeon-General Clement A. Finley.....	2	361
William Welsh.....	3	480
Lawrence A. Williams.....	3	482
Glover—		
George A. Armes.....	3	620
Francis Armstrong.....	5	680
Certain soldiers of the Eighth Cavalry, Missouri State Militia.....	5	666
Wilber F. Chamberlain.....	1	52
Colonel W. H. Emory.....	2	363
Charles W. Hill.....	1	193
James A. Hill.....	1	26
R. N. Hood.....	5	681
Lieutenant Henry Jackson.....	1	25
Angeline P. Logan.....	1	10
Theodore F. Miller.....	1	192
William M. Pease and F. S. Jones.....	5	667
Daniel K. Sargent.....	1	261
Hardenbergh—		
Accounts of officers of Army and Navy.....	1	296

Subject.	Vol.	No.
Military Affairs, Committee on—Continued.		
Hardenberg—		
Condemned cannon to Forrest Park, Saint Louis, Missouri....	1	195
John Heberer.....	3	477
D. S. Miles.....	5	663
Purchase of Government property at Harper's Ferry.....	1	194
John A. Shaw.....	5	679
Signal Service.....	5	661
Utah Western Railroad.....	5	660
Orra Wilden.....	5	662
Hurlbut—		
Benjamin L. Cornish.....	3	464
Elijah Cudington.....	3	470
James A. Doughty.....	3	472
Amos B. Furgeson.....	5	672
John C. Griffin.....	3	466
Elkanah Huddleston.....	3	468
Jane Jameson.....	3	474
Marvin B. Lemmon.....	3	465
William H. Needham.....	5	673
Thomas Rains.....	3	471
John R. Roache.....	3	467
A. J. Smith.....	5	695
Anderson J. Smith.....	1	51
William Withernow.....	3	473
Charles H. D. C. Williams.....	3	469
MacDougall—		
Alexander Anderson.....	3	575
Alfred Muller.....	5	751
Officers Third United States Artillery.....	1	196
Frederick Semkel.....	5	752
Major D. C. Smith.....	5	735
Louise Van Puechelstein.....	3	574
Charles W. Wood.....	5	734
Reilly, John—		
A. S. Bloom.....	5	753
Joseph B. Braman.....	3	561
Bridge across North Platte.....	9	829
John T. Brown.....	5	669
Thomas F. Carten.....	5	670
Condemned cannon to Grand Army of the Republic, Post Ellis.....	9	836
Condemned cannon to General Kearney.....	5	652
Condemned cannon to soldiers Fort Hill Association.....	9	827
Condemned cannon to Soldiers' Monumental Association of Susquehanna, Pennsylvania.....	5	651
W. A. W. Daly.....	3	563
Captain W. L. Foulk.....	9	826
General William Gamble.....	3	560
Grant-Pemberton monument site.....	3	558
Feriba A. Gregg.....	1	200
Theodore F. Hallock.....	9	828
Captain J. M. Hamilton.....	5	671
Rev. John R. Hamilton.....	1	201
J. C. Hawley.....	5	754
J. W. Lawlers.....	5	676
George A. Lemert.....	5	677
John H. McCormick.....	3	619
Military wagon-road in Wyoming and Montana.....	3	616
George A. Miller.....	3	618
Edwin Morgan.....	3	444
R. H. Murrill.....	3	559
H. Nelson.....	5	656
Patrick O'Connell.....	5	657
John O'Rourke.....	3	617

Subject.	Vol.	No.
Military Affairs, Committee on—Continued.		
Reilly, John—		
A. P. Rambo.....	5	755
Augustus Sprague.....	3	562
Alstorpheus Werninger.....	9	830
Strait—		
John Ammahaie or Ammahe.....	3	483
L. M. Blackman.....	1	263
William Bowlin.....	5	136
William H. Carmen.....	5	658
Court of Claims, petition in.....	1	197
Edwin Ebert.....	3	500
Alfred Fry.....	5	659
A. F. McMillan.....	2	366
Henry Plowman.....	5	675
Presbyterian Church of Gratiot, Michigan.....	3	501
George Schwartz.....	2	365
Henry E. Wilkinson.....	1	198
Terry—		
Captain James F. Blount.....	5	700
William Butcher.....	5	701
Richard H. Fouts.....	5	744
Morris Gosnell.....	1	109
Adolph Joseph.....	1	108
Thomas T. Knox.....	5	699
Leavenworth Street Railroad Company.....	3	475
Little Rock Arsenal.....	5	745
Management of Soldiers' Home.....	5	783
Timothy McMahon.....	1	262
Henry Osterheld.....	1	199
Renting of building for Quartermaster-General's Office.....	5	767
Frank Lippelins.....	1	107
W. C. Spencer.....	1	73
Transfer of certain military reservations.....	1	19
Adolph H. Von Leutewitz.....	1	72
Charles D. C. Williams.....	1	74
Thornburgh—		
John T. Burchell.....	1	27
Major Foster A. Hixon.....	3	476
James Kreps.....	1	28
Williams, A. S.—		
Almeron E. Calkins.....	3	505
William O. Cory.....	3	509
William Gemmill.....	3	460
S. G. Going.....	3	508
Samuel Green.....	1	191
Issue of clothing to certain enlisted men Sixth United States Cavalry.....	1	53
Charles H. Johnson.....	3	580
John New.....	1	75
Chancy I. Poore.....	3	582
John Pulford.....	3	504
Alfred Rowland.....	3	461
John Rentz.....	3	506
Marshall P. Thatcher.....	3	581
Charles Valier.....	3	507
Mississippi Levees, Committee on the—		
Ellis—		
Mississippi levees.....	3	494
Naval Affairs, Committee on—		
Burleigh—		
Repair of property at Sacket's Harbor, New York.....	1	95
Harris—		
Benjamin P. Loyall.....	5	757

Subject.	Vol.	No.
Naval Affairs, Committee on—Continued.		
Lewis—		
Commander R. L. Law.....	1	55
Oscar F. Stanton.....	1	54
Captain John T. Todd.....	3	739
Warrant officers of the Navy.....	1	80
Mills—		
Amendment section 1558, Revised Statutes.....	1	78
E. B. Boutwell.....	5	750
Isaac Dowling.....	1	79
Kittery navy-yard.....	6	790
Pay of engineers in the Navy.....	1	77
certain officers.....	5	748
officers of Army and Navy.....	5	747
Dr. Joseph Phillips.....	5	749
John Roop.....	5	746
Captain Egbert Thompson.....	1	29
William Welsh.....	1	30
Robbins—		
Pettis & Reed.....	1	118
Catharine Thrush.....	1	76
Whitthorne—		
Investigations of Navy Department.....	5	784
William Talbert.....	5	769
Williams—		
Milton B. Cushing.....	5	768
Susan E. Rhea.....	1	120
Pacific Railroad, Committee on the—		
Throckmorton—		
The Austin-Topolovampo Pacific route.....	2	359
Patents, Committee on—		
Bagley, J. H.—		
Jacob A. Conner.....	1	303
Thomas R. Crosby.....	3	550
S. A. Knox.....	3	610
John Stainthorp.....	1	302
Thomas A. Weston.....	3	549
Nicholas Whitehall.....	3	609
Sampson—		
Stephen V. Benét.....	2	347
Charles F. Chandler.....	3	572
Patent laws.....	2	358
Property in patterns.....	2	356
Vance—		
Allen B. Wilson.....	1	237
Post-Office and Post-Roads, Committee on the—		
J. B. Clark, jr.—		
Management of the Post-Office Department.....	7	814
Relief of James B. Jackson and others.....	1	101
Miller—		
Rate of postage upon written legal matter.....	1	223
Printing, Committee on—		
Vance, J. L.—		
Rejected cases Commissioners of Claims.....	1	2
Public Buildings and Grounds, Committee on—		
Harrison—		
Title to certain lands in Chicago.....	3	615
Hunton—		
George C. Ellison.....	9	841
Walsh—		
Improving the Capitol grounds.....	2	357
Young—		
Ventilation of the House of Representatives.....	3	462
Public Lands, Committee on the—		
Crounse—		
Sarah Spaulding.....	1	103

Subject.	Vol.	No.
Public Lands, Committee on the—Continued.		
Goodin—		
Lands in certain States located under military warrants.....	5	766
Lane—		
Klamath Indian reservation, Oregon	1	183
Mission lands in Oregon, Washington, Idaho, and Montana..	1	249
Right of way to Hot Springs Railway Company.....	1	250
McDill—		
Des Moines River lands	5	732
Morey—		
Henry Gee.....	2	427
Railways and Canals, Committee on—		
Jones—		
Cheap transportation	2	360
Saint Louis, Cincinnati and Washington Narrow-Gauge Rail- road	2	346
Real Estate Pool and Jay Cooke Indebtedness, Committee on—		
Glover—		
Real-estate pool of the District of Columbia.....	1	242
Deposits of money by the Secretary of the Navy.....	6	789
Reform in the Civil Service, Committee on—		
De Bolt—		
Charges against Hon. W. J. Purman.....	6	768
Hurlbut—		
Chicago pension agency		678
Chicago pension agency		796
Revolutionary Pensions, Committee on—		
Bland—		
Mary W. Jones	1	56
Celeste McGowan, (now Freytet)	3	486
Davis—		
Heirs of J. Barnett.....	3	458
Heirs of Richard Hale	3	459
Brigadier-General William Thompson	3	457
Henderson—		
Hester P. Fox	3	487
Phelps—		
Joseph Carter	1	267
John Coltman	1	266
Mary Desbrow	1	268
Carter Wilkey	1	265
Territories, Committee on the—		
Southard—		
New Mexico.....	3	503
Wigginton—		
Boundary of the State of Oregon	5	764
Texas Frontier Troubles, Committee on the—		
Schleicher—		
Texas frontier troubles	2	343
War-Claims, Committee on—		
Cabell—		
John T. Armstrong	7	811
W. M. Bushby	5	729
George Calvert.....	3	527½
Samuel Crary	1	253
Sewell B. Corbett.....	1	311
Sewell B. Corbett	3	485
Mrs. Flora A. Dailing	2	349
Pickerell & Broocks	5	728
George W. Spates.....	3	527
Dr. A. G. Tebault	7	812
Trustees of the Protestant Orphan Asylum of Natchez.....	5	711
Caldwell—		
B. B. Conner & Bro.....	5	634
John W. Gall, (deceased).....	1	252

Subject.	Vol.	No.
War-Claims, Committee on—Continued.		
Caldwell—		
Mrs. Lucie A. Jameson.....	5	635
Girard Wood.....	5	703
Conger—		
Mrs. E. J. Brosman.....	3	443
Mrs. Eliza E. Hebert.....	1	309
Joseph W. McClurg and others.....	1	18
Eden—		
Appropriations for claims allowed by Southern Claims Commis- sion.....	3	456
Thomas Burke.....	9	817
A. H. L. Crenshaw.....	9	819
First National Bank, Saint Albans, Vermont.....	1	104
Leon Frank.....	9	818
William C. O'Brien.....	5	633
Susan P. Vance.....	1	310
Dr. Mary C. Walker.....	9	820
Purviance Wyeth.....	1	251
Ellis—		
J. M. Bragg.....	2	432
R. H. Buckner.....	1	105
Mark Davis.....	2	431
Thomas Day.....	3	548
Frederick City, Maryland.....	3	547
Phillip Rohr.....	3	545
W. W. Van Antwerp.....	1	255
Wildley Lodge I. O. O. F.....	3	546
Hoskins—		
Charles C. Campbell.....	2	436
Daniel F. Dulaney.....	2	350
Harry E. Eastman.....	3	489
Susan E. Willard.....	3	488
Milliken—		
Henry S. French.....	5	648
R. J. Henderson.....	1	312
Philip Pendleton.....	2	430
Mary E. Purnell.....	7	797
Mrs. May Scott.....	7	798
Mrs. Armanda Rains.....	3	573
James G. Williams.....	3	484
James G. Williams.....	1	187
Joseph Wilson.....	1	313
New—		
Daniel M. Allen.....	3	490
Marvin H. Amesbury.....	3	493
A. T. and N. C. St. John, of Virginia.....	3	492
Bartholomew County Agricultural Society.....	1	188
Henry L. Clok.....	3	491
Cora A. Slocomb.....	3	496
The re-imbursement of the States for expenses incurred in the late rebellion.....	3	497
Smith, A. H.—		
W. J. Alexander.....	5	636
Almont Barnes.....	1	290
Moses F. Carleton.....	9	821
F. W. E. Lohnan and others.....	9	823
J. C. McConnell.....	9	824
O. P. Norris.....	9	825
John B. Slack.....	9	822
Warner—		
Joseph Anderson.....	1	254
W. H. Newman and L. A. Vanhoffman.....	3	551
Mrs. Amelia A. H. Richards.....	3	552
Joseph R. Shannon.....	2	429
Daniel Wormer.....	1	49

Subject.	Vol.	No.
War-Claims, Committee on—Continued.		
Wilson—		
Randall Brown.....	2	434
Margaret Janet Burleson.....	2	433
Peter Nodine.....	2	435
Mrs. Emma A. Porch.....	5	637
Benjamin F. Reynolds.....	5	638
Ways and Means, Committee of—		
Burchard—		
Kendrick & Avis and others.....	2	414
Berthold Lowenthal.....	2	393
William H. Powell.....	5	733
Peter Wright & Sons.....	1	301
Garfield—		
John F. Sutherlin & Brother.....	2	439
Hancock—		
Lemuel D. Evans.....	5	765
Hill—		
Brannin, Summers & Co.....	3	557
Thomas—		
George Eyster.....	5	665
James J. Waring.....	1	244
Tucker—		
James T. Buckner.....	3	511
Fidelio S. Hunt.....	7	810
Lawson & Brewis.....	1	47
D. P. Rowe and others.....	3	455
J. E. Robertson & Co.....	2	355
E. K. Smead.....	5	763
Thurman & Frost.....	3	510
Wood—		
Alaska Commercial Company.....	5	623
Hawaiian treaty.....	1	116

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

178

SURVEYS IN THE TERRITORY OF WYOMING.

AUGUST 2, 1876.—Recommitted to the Committee on Expenditures in the Interior Department and ordered to be printed.

Mr. MUTCHLER, from the Committee on Expenditures in the Interior Department, by unanimous consent, submitted the following

R E P O R T:

It having been represented to your committee that certain abuses had been practiced in the awarding of contracts by surveyors-general for the survey of the public lands, they determined to inquire into the truth or falsity of the charges by the examination of witnesses who, it was supposed, had knowledge of the fact that such abuses existed. The time of the committee having been occupied almost exclusively in the investigation of other matters, they found it impossible to give attention to any of the charges except those relating to surveys in the Territory of Wyoming. It having been alleged that Dr. Silas Reed, late surveyor-general of that Territory, was in the habit of compelling deputy surveyors who received contracts from him to divide the profits of their contracts with such friends of his as he would designate, who did no work and assumed none of the responsibilities which attached to the contractor, and whose only connection with the surveys was to receive their share of the profits after the work was completed, your committee proceeded to take the testimony of a number of witnesses in support of the allegations, and they herewith submit it as a part of their report.

Dr. Reed became surveyor-general of Wyoming Territory in the year 1870, and held the position until the spring of 1873, when he was removed, and a Dr. H. Latham was appointed his successor. In speaking of his removal, Dr. Reed, in his testimony, says:

I was appointed the second time in February, 1870. I went out there, and in March, 1873, at the time of the President's inauguration, this ring that is now hatching up this difficulty, mystifying and misrepresenting it, came down here and represented me to the President as a great Greeley man, and as having attended Greeley conventions, &c., and the President, forgetting that he had appointed me the second time, appointed a man in my place.

Upon the receipt of his notice of dismissal, Dr. Reed at once proceeded to Washington, and having convinced President Grant that the report to the effect that he had been wanting in fealty to him was a malicious fabrication, invented by the "ring" for selfish purposes, he was at once re-appointed, and again entered upon his duties as surveyor-general of the Territory. The contracts for surveys for the season of 1873 having been already let by Dr. Latham, none were given out by Dr. Reed until the following season, being the summer of 1874.

The act of May 18, 1796, provides that "every surveyor-general shall engage a sufficient number of *skillful surveyors* as his deputies," and by the act of March 3, 1831, "every deputy surveyor is required to enter

into bonds with sufficient security for the faithful performance of all surveying-contracts, and to take an oath that the surveys have been faithfully and correctly executed according to law and the instructions of the surveyor-general. In the opinion of the committee, the plain provisions of the statutes regulating the surveying of the public lands require all contracts to be let only to persons skilled in the art of surveying, and to such as will give the bond and take the oath required by those statutes. The term skillful surveyors cannot be interpreted to mean any class of persons except such as have been educated in the business of surveying. The manual of surveying-instructions, however, authorized by the act of 1872, and issued by the Commissioner of the General Land-Office, contains a provision declaring that where there are two contractors, one only shall be required to be a practical surveyor, the other may be the moneyed man of the firm; the one to execute the work and swear to the field-notes, the other to furnish the necessary means for the outfit. This regulation, made, as is claimed, in pursuance of law, enables surveyors-general to award heavy contracts to favorites, who have no knowledge whatever of the work to be done, or of the manner of doing it, and who scarcely ever go into the field. As surveying-contracts are always awarded at the maximum sum allowed by law, the profits realized are generally very large in proportion to the amount invested by the moneyed man of the firm. This system of partnership in surveying was somewhat improved by Dr. Reed, very much to the advantage of the moneyed man of the firm, who, it appears from the testimony, was not only not required to do any work, but did not sign a contract, give a bond, take the oath, nor advance any money. Under the doctor's system, the moneyed man did no work and assumed no responsibility; he was a silent partner, with nothing to do except to receive his share of the profits of the contract. This system was put into practical operation in the spring of 1874, when the first contracts were let by Dr. Reed after his re-appointment to the office of surveyor-general of the Territory, and the beneficiaries under it were Mr. John S. Delano, Mr. Orvil L. Grant, and a Mr. H. H. Houghton, an editor of a newspaper in Galena, Ill. Although each of these gentlemen participated in the distribution of the profits of surveying-contracts, none of them took any of the responsibilities of contracting parties, nor did any of the work required to be done, and, so far as the evidence shows, only one of them (Mr. Delano) advanced any money to purchase an outfit for the men in the field.

In May, 1874, two contracts were given to J. Wesley Hammond, of which the aggregate liability was \$4,000. Subsequently and during the same summer a contract was given to Mr. Rogers, the liability of which was \$2,100; one to Mr. Hays, of the same liability; one to Mr. Reed, liability \$1,800; and one to Mr. Thomas, liability \$2,900. These contracts were all for surveying township and section lines, and were awarded at the maximum sum allowed by law for that kind of surveying. The only contracting parties, so far as the papers in the Land-Office show, were the Government and the parties above named. Yet Mr. Delano was the recipient of one-half the profits of each contract, amounting in the aggregate to from \$3,000 to \$5,000. The settlements with the deputies were made by Dr. Reed, and the amount due by each one to Mr. Delano deducted by him. For purposes which may readily be imagined, it seems Dr. Reed was particularly anxious that Mr. Delano should have an interest in surveying contracts. According to his own statement, as early as May or June, 1873, when, it will be remembered, he was out of office and was in Washington soliciting

a re-appointment, he had a conversation with Ex-Secretary Delano in regard to the health of his son, who, it seems, was afflicted with a disease of the lungs, in which conversation he suggested that John should go to the mountains for the benefit of his health. Subsequently, he relates, he had an interview with Mr. Drummond, the Commissioner of the Land-Office, with regard to the propriety of giving Mr. Delano a contract, and that that official advised him that he could properly do so. Dr. Reed, by his testimony, endeavors to create the impression that there was no intention to conceal the fact that Mr. Delano had an interest in surveying-contracts, but that the transaction was an open one and in no way inconsistent with his sworn duty as a Government official. He insists that the only reason why Mr. Delano's name was not inserted in the contracts, and he required to file his bond and take the oath, was because, on account of the sickness of his wife, he could not reach the Territory in time to comply with these requirements of the law. In this assertion the doctor is not sustained by the evidence. On the contrary, it is clearly proven that he used all means in his power to keep the matter a profound secret, and that he peremptorily discharged an honest and faithful clerk from his office because he, in the conscientious discharge of his duty, attempted to correct the abuses that were being practiced.

Mr. L. C. Stevens, who was chief clerk in Dr. Reed's office at Cheyenne, and who was removed because he endeavored to expose the dishonest transactions of the office, testifies in respect to the Hammond contract that at the instance of Dr. Reed he told Hammond that there was a chance for him to get work. He says, "I told him that if he was willing to go into the field and let Mr. Delano in on profits he could get work, and asked him if he would be willing to take a contract on such terms. I talked quite a while with him about it and talked freely. He was an intimate friend of mine and I advised him that that was the only show he had to get anything to do, and that he had better do that than be idle; that he would do pretty well out of it himself anyhow; that he had better do it, and he said he would. I then reported to Dr. Reed that I had seen Mr. Hammond and that it was all right; so the contract was let to Mr. Hammond." This witness says Mr. Delano "shared equally with Mr. Hammond in the profits." "As I understood," he says, "from conversations with the doctor afterward, Mr. Hammond had owned the outfit, the mules, the compass, and the equipments generally, and also did the work; and for the use of his outfit and for his services he was to receive \$125 a month, which was deducted before the division." In answer to a question as to whether the witness had anything to do with the payment of money to Mr. Delano, he says, "Some time in November, 1874, the draft was received from the Treasury for Mr. Hammond in payment for those contracts. Mr. Hammond was not in town at that time. I received his mail when he was not in town and attended to his business, and I placed these Treasury drafts in the bank to his credit. Mr. Hammond had told me that he had given to Dr. Reed notes; that the doctor had required him to give notes for what was coming to Mr. Delano, and that they were all right. I was acquainted with the arrangement from the beginning. On the 21st of November, 1874, Dr. Reed showed me these notes given by Mr. Hammond; they were notes made on a form of the First National Bank of Cheyenne, and these [producing papers] are exact copies of the notes:

\$400.]

CHEYENNE, October 26, 1874.

On or before February 1, 1874, we jointly and severally promise to pay to John L. Merriam or bearer, out of the draft of my surveying-contract No. 62 of May 20, 1874, as soon

as received, \$400 at the First National Bank of Cheyenne, for value received, waiving benefit of stay and exemption laws, with interest at two per cent. per month from maturity till paid.

J. WESLEY HAMMOND.

\$1,000.]

WASHINGTON, *October 26, 1874.*

On or before February 1, 1874, we jointly and severally promise to pay to John L. Merriam or bearer, out of my survey-contract No. 62 of May 20, 1874, \$1,000 as soon as received, at the First National Bank of Cheyenne, for value received, waiving benefit of stay and exemption laws, with interest at two per cent. from maturity till paid.

J. WESLEY HAMMOND.

The fact that the name of John L. Merriam was inserted in the above notes instead of that of Mr. Delano is another circumstance going to show the intention of Dr. Reed to cover up the transaction with Mr. Delano; and the reason for this name being put there will be found in the following letter, which is still stronger evidence that the parties desired that the fact that Mr. Delano had an interest in surveying-contracts should be a secret :

INTERIOR DEPARTMENT,
Washington, D. C., May 26, 1874.

DEAR GENERAL: I have been detained by my wife's illness, but hope at least to get off to Saint Paul by Monday, and to reach Cheyenne in June. I shall have to return here by the last of June on my wife's account, but shall not go back west for the summer and fall.

Hope you will be able to put Merriam (I think it had better be in his name) into a good contract for me. I shall sadly need the profits for my summer's outlay—out of office, sick, unable to attend to my own affairs, runs me behind a good deal. Thanks for your kind letter.

Yours, truly,

J. S. DELANO.

This letter flatly contradicts the assertion made by Dr. Reed to the effect that the only reason why the name of Mr. Delano was omitted from the Hammond contract, and he not required to qualify as a deputy, was because he was unable to reach the Territory in time to do so. It will be observed the letter is dated six days after the date of the contract, and that the name of Merriam does not occur in any of the papers, excepting in the notes subsequently given by Hammond to secure the payment of Delano's share. The truth is, the Hammond contract had been awarded to him, with the distinct understanding that he was to divide the profits equally with Delano, some time before the latter had signified to Dr. Reed his intention of coming to the Territory.

If any other evidence were necessary to prove beyond the possibility of a doubt that it was the intention of the parties to keep the transaction entirely secret, it will be found in the conduct of Dr. Reed in removing Mr. Stevens, his chief clerk, so soon as he had ascertained that that gentleman had attempted to expose the affair to the authorities at Washington.

Mr. Stevens testifies that Dr. Reed handed him the two notes given by Hammond to Medary, with a request that he collect them, and, as he had charge of Hammond's money-matters during his absence in the field, he drew his check on the First National Bank of Cheyenne for \$1,400, signed "J. Wesley Hammond, by L. C. Stevens," and with this money paid the notes. Five hundred and five dollars of this amount he gave to Dr. Reed, and with the balance, \$895, he purchased a draft on New York, payable to the order of J. S. Delano. This draft, he says, Dr. Reed inclosed, with a letter directed to Mr. Delano. After the draft had been paid and returned to the bank, Mr. Stevens says he obtained

possession of it, and in the latter part of March, 1875, inclosed it, together with other proofs of the transaction, to Hon. B. H. Bristow, with a request that he lay the papers before President Grant. At this time Dr. Reed was absent from the Territory, staying at Saint Louis. Mr. Bristow testifies that he received the papers sent, and, in obedience to the request of Stevens, laid them before the President. That among the papers he thinks there was a letter from Ex-Secretary Delano to Dr. Reed, thanking him for some kindness done his son. That the papers related to surveying-contracts in the Territory of Wyoming, and on their face showed evidence of improper transactions between the surveyor-general and John S. Delano. On the 28th of April Dr. Reed, who, as has been stated, was in Saint Louis, came to Washington City. Immediately upon his arrival he was informed by Mr. J. S. Delano and others that the President was in possession of these papers. Mr. Delano, it seems, from his own testimony, had seen the papers, they having been shown him by General O. E. Babcock, the President's private secretary. On receiving this information, Dr. Reed at once telegraphed his chief clerk, Mr. Stevens, as follows :

WASHINGTON, D. C., April 29, 1875.

Mr. L. C. STEVENS,

Surveyor-General's Office :

How did Campbell obtain D.'s letters to me about surveys?

SILAS REED.

Dr. Reed further testifies that on this same day he had an interview with the President; that he informed the President that the papers had been stolen; that one of them was a private or semi-official letter to him, and that he did not think it ought to be floating about, because it would be misunderstood or misinterpreted among strangers; that the President replied that he did not see that they amounted to anything; he had not thought enough of the matter to mention it to Secretary Delano or pay any attention to it, and that he would return the papers to J. S. Delano. After the interview with the President, Dr. Reed went to the telegraph-office and sent a telegram to Cheyenne removing Mr. Stevens, his chief clerk.

The letter which the doctor alluded to as not desiring to have "floating around," for fear that it might be "misunderstood or misinterpreted by strangers" was an autograph-letter from Ex-Secretary Delano to Dr. Reed, written in the month of October, and some time prior to the date of the settlements between the deputy surveyors, in whose contracts J. S. Delano was interested, and the Government. Mr. Stevens says that a month before sending the draft to J. S. Delano, Dr. Reed showed him this letter, and in doing so said, "I was writing the Secretary not long ago, and I mentioned to him that I was doing something for John out here. I got a letter from him this morning, and I want to show it to you. Just see how careful he is."

It was an autograph-letter of Secretary Delano's, and addressed to Dr. Reed. The first part of it was in regard to some other work, which I did not pay any attention to or charge my mind with. The part to which he directed my attention and which he had referred to was like this: "You mention that you are doing something for John. I hope you will be careful not to do anything that will have the appearance of being wrong." In his testimony, Dr. Reed admits having received this letter, and that it contained a clause in which the writer thanked him for his kindness toward his son.

With regard to the surveys in which Orvil L. Grant had an interest,

the testimony of Mr. Stevens shows that a brother-in-law of Grant's, named Medary, had several heavy contracts, first under Surveyor-General Latham, subsequently under Dr. Reed. Stevens says, "The doctor told me in 1873 that Medary was to help Orvil out of some of his debts." He also said that as Medary was "spending his money pretty fast, there would be nothing left for Orvil." The witness further says that in the spring of 1874 he asked the doctor whether Medary had helped Orvil out as he promised, and the doctor said that was fixed up all right. That in the summer of 1874 Medary had contracts all the while to large amounts. That one day the doctor asked witness what he thought Medary ought to make out of his work. Witness said, "Not less than \$5,000, however he manage." The doctor added, "That's just what I thought, and just what I told Mr. Grant. I told Mr. Grant that that ought to be the basis, and that if Medary did not report that much profit, he had not managed his work right." This witness says that Medary was by no means a favorite of the doctor's. That the doctor told him one time that he did not like to have him about. That he wished Grant would get somebody else. He could get a man who would make more money for him and be pleasanter about the office. In a letter written from Washington by Dr. Reed to his clerk, he says: "Medary's last draft has gone to Cedar Falls, and O. L. G. seems worried that nothing has come from the source of his prosperity yet." In another portion of the letter he says: "I have this moment parted with O. L. G. I have suggested that he hire a good assistant and go out on his own hook next season, for all his plans seem to have failed this year, and it is not certain he will receive a dollar from M."

Dr. Reed does not deny that Grant had an interest in all the contracts given to Medary, although his name nowhere appears in any of the papers on file in the land-office, nor was he in the Territory at any time while the work was being done. The testimony further goes to show that Medary himself was not a practical surveyor, and that the work allotted to him was done by a compass-man by the name of Corey, whom he employed by the month. Contracts were all awarded, as was the case in those in which Delano was interested, at the maximum price fixed by law.

Mr. Stevens also testifies that a man by the name of H. H. Houghton, who published a newspaper at Galena, Ill., called the Galena Advertiser, had an interest to the extent of \$600 in a surveying-contract to two deputies named James and Rodgers. He does not know certainly that Houghton received the money, but the deputies told him they had paid it. He says the doctor told him he intended to help Mr. Houghton, who was his old friend. That he had offered him a contract, but that he could not come out there to work, and so he was going to let some of the deputies make up to him about the amount he could make on a small contract.

Your committee believe that John S. Delano, Orvil L. Grant, and H. H. Houghton rendered no service whatever to the Government for the money received by them, but that they were mere "dead-heads" and pensioners upon the fund appropriated by Congress for surveys of the public lands in the Territory of Wyoming for the year 1874, and that Dr. Silas Reed, the surveyor-general of that Territory, violated his official oath by awarding contracts for surveying at the maximum price upon condition that the deputies would divide their profits with men who gave no equivalent for the money they received. The precise amount of the public money thus fraudulently and corruptly used the

committee are unable to state, but it is quite certain that it amounts to several thousand dollars, and that the entire sum should have been saved to the Government, because the evidence shows that the work could and would have been done by the deputies to whom the contracts were awarded at the price they actually received after deducting the amount each was compelled to pay to his silent partner as a bonus for his contract.

In justification of his conduct in thus misapplying the public money, Dr. Reed says he was induced to offer Mr. Delano an interest in surveying-contracts because he was unwell, and he, as a physician, knew that if he could get him to go to the mountains his health would be restored; that he was his father's only son, and as he, witness, had but one son, he had great sympathy for the father. As to Orvil L. Grant, he had been burned out in Chicago and was poor; besides, Medary was a single man, while Grant had a family and was supporting Medary's mother, and he thought it was no more than right that the latter should divide profits with him. When it is remembered that one of these recipients of the Government bounty is a near blood-relative of the then Secretary of the Interior and the other of the President, and that the sympathizing doctor held his official position at the pleasure of these two high officials, it will be seen that the motive which prompted him to relieve their necessities was as humane and unselfish as any that ever moved the philanthropic heart of the illustrious Pecksniff. Although the fact that this unfaithful official had been guilty of corruptly using the public money was known to the authorities by whose favor he held his office in March, yet he was permitted to retain his position until the month of August, when, as will be seen by the following letter of President Grant, his resignation was accepted:

LONG BRANCH, N. J., *August 7, 1875.*

DEAR SIR: Your letter of resignation of the 30th of July was duly received, but has not been acted upon until now. I have this day forwarded it to the Secretary of the Interior, with instructions to accept it to take effect on the 10th September, or as soon thereafter as your successor may qualify. In accepting your resignation allow me to say that I know of no reason to be dissatisfied with your administration of the office of surveyor-general. On the contrary, I believe it has been efficiently, and advantageously to the Government, filling during your entire administration.

With sincere wishes for your welfare, and assurances of my personal friendship, I am, very truly, your obedient servant,

U. S. GRANT.

Dr. SILAS REED,
Surveyor-General, W. T.

Your committee deem it necessary, in order to prevent any misappropriation of the money set apart for defraying the expenses of surveying the public lands in the future, to recommend that the law regulating surveys should be so amended as to impose a penalty upon surveyors-general who may award a contract to any one not a skillful surveyor, and also a penalty upon any person receiving a contract who may neglect or refuse to superintend the work allotted him in person.

WM. MUTCHLER.

A. R. BOONE.

WM. B. ANDERSON.

TESTIMONY

TAKEN BY THE

COMMITTEE ON EXPENDITURES IN THE INTERIOR DEPARTMENT,

IN RELATION TO

ALLEGED FRAUDS IN CONTRACTS FOR GOVERNMENT SURVEYS IN
WYOMING TERRITORY.

WASHINGTON, D. C., *March 25, 1876.*

B. H. BRISTOW sworn and examined.

By the CHAIRMAN :

Question. It has been represented to this committee that, during the time that Ex-Secretary Delano was the Secretary of the Interior, a letter, purporting to have been written by him and addressed to a certain party or parties who had been engaged in surveying public lands in some of the Territories, accidentally came into your possession, and that you conceived it proper to lay that letter before the President, and did so. Will you state whether such is the fact?—Answer. This question is put to me without a moment's notice of the reason for inviting my attendance before this committee, and relates to a matter which was brought to my attention by a stranger, and which did not belong to my Department, but I will state the facts as well as I can from memory.

Some time last year, a Mr. Stevens, whose given name I do not remember, and whom I do not personally know and never saw, wrote me from Cheyenne, Wyoming Territory, inclosing certain papers with request that I should lay them before the President. Subsequently, and I should say some months afterward, Mr. Stevens wrote me again asking that the papers be returned to him. I returned them to Mr. Stevens, who, as I understand, resides at Cheyenne, Wyoming Territory, and was formerly, as his letter advised me, employed in the office of the surveyor-general of that Territory. I cannot undertake to state, with anything like accuracy, the contents of the papers, which passed out of my hands some months ago. I ought to say that there was nothing in the papers inclosed in Mr. Stevens's letter implicating the then Secretary of the Interior, Mr. Delano, so far as I remember, in any improper transaction.

Q. Was there among those papers a letter from the Secretary of the Interior addressed to Mr. Stevens, or to any other person, in which he spoke of the liberality of these people in compensating his son John for any services rendered?—A. I think not. I think there was a letter—and I speak with great hesitancy, because it was not a matter of my own, and I did not charge my memory particularly with it. I did with the papers only what seemed to be a matter of duty, and in pursuance of the request of the writer. I think there was a letter from the late Secretary of the Interior to the surveyor-general of the Territory, thanking him for some kindness toward his son, who, it appears, had been out there; but, so far as I recollect, there was nothing in the letter relating to any compensation or money transaction in terms, or by any implication that occurred to me. On reflection, I think Mr. Stevens's letter did not cover any letter from the Secretary of the Interior, but that the writer, Stevens, said he had seen a letter from Secretary Delano to the surveyor-general, thanking the latter for his kindness to his (the Secretary's) son. I hope I may be permitted to add to that answer that I was a good deal embarrassed by having the papers placed in my possession; they came to me from an entire stranger. Why he should have sent them to me I do not know.

Q. State what the papers related to.—A. The papers related to surveying contracts in Wyoming Territory. I am sorry that I cannot give the full name of Mr. Stevens to the committee.

Q. Was Mr. Stevens the surveyor?—A. I think Mr. Stevens was a clerk or a deputy, or held some office in the surveyor-general's office. He said he held some position there. He was not the surveyor-general. My recollection is that the surveyor-general's name was Reed.

Q. Will you state for what purpose you were requested to lay the papers before the Presi-

dent?—A. I cannot say that the purpose was expressed in the letter of Mr. Stevens to me. I think I returned the whole of the papers, including Mr. Stevens's letter, to him. I will not be positive about the return of his letter, but I know I returned the inclosures to him, at his request.

Q. What were those papers?—A. It is impossible for me to state definitely. I did not feel that it was a matter connected with my Department, or in connection with which I was charged with any official duty. There were peculiar circumstances surrounding me at the time which embarrassed me very much by having the papers come into my possession, and when Mr. Stevens called for them I returned them to him. I ought to repeat that, so far as I have any recollection at all, there was nothing in the papers inclosed in Mr. Stevens's letter involving the Secretary of the Interior in any improper transaction.

Q. Was there anything in the papers involving any other person in any improper action; and, if so, whom?—A. On their face they did.

Q. Who was that person?—A. The surveyor-general of the Territory and Mr. John Delano, the son of the Secretary of the Interior. I ought to add that I saw but one side of the matter, and do not know but what there is a perfect explanation of that.

Q. In what way did they involve the surveyor-general and the Secretary's son in any improper action?—A. The papers indicated that there had been an interest in a surveying contract set apart for Mr. John Delano. I am not at all familiar with the business of a surveyor-general's office, and, perhaps, have less knowledge of it than any gentleman of this committee. I mean to say that I know nothing of the business of such office, but, according to my recollection, the papers showed that when certain contracts were given to deputy surveyors—and I do not know that that is the proper designation—or to persons who did the work of surveying at particular rates, that a part of the contract-price was reserved for Mr. John Delano.

Q. Can you state what that amounted to?—A. I cannot.

Q. Was it not about \$60,000?—A. O, no; nothing like it. So far as these papers showed, I should say from my best recollection it was not to exceed four or five thousand dollars—perhaps not over two or three thousand. I do not state the amount with positiveness, but I think it was a few thousand dollars.

Q. I believe you have already stated that you do not know the name of the surveyor-general?—A. I think his name was Reed, as I have stated heretofore. My impression is that he has been removed, and, while I don't know the fact, I have an impression on my mind that his removal resulted from this information. I laid the papers before the President because the writer requested me to do so, and because I deemed it my duty, and I requested the President to return them to me for the same reason; that is, that the writer requested me to get them and to return them to him.

Q. Do you know certainly that you have returned all those papers to Mr. Stevens?—A. I am very sure I returned all the inclosures of his letter. Whether I returned his original letter or not I cannot state positively without looking over my own files.

Q. If you still have that letter you can produce it, can you not?—A. Undoubtedly I can. It is entirely possible that if I did not return the letter I may have destroyed it, but I will look at my files, and if it is there, it is at the service of the committee. I ought to add that the letter indicated that there had been some personal difference between the writer and the surveyor-general, and, possibly, Mr. Delano. At any rate, I saw that it was a personal quarrel to which I did not want to become a party.

Q. How long before Mr. Delano resigned did this transpire?—A. I cannot answer that question with any definiteness. I think the papers came to me some time during the spring or summer, but really I do not remember the time, nor can I say certainly when Mr. Delano resigned, though I think in September or October.

Q. You do not remember, then, whether his resignation was accepted a short time after the President came into possession of the knowledge of the facts in relation to this matter?—A. I cannot state the time with anything like definiteness.

Q. To whom was the letter from the Secretary, thanking the person for attention paid to his son, addressed?—A. I repeat that, on reflection, I think Mr. Stevens's letter to me contained no letter from Secretary Delano, but that Mr. Stevens, in his letter to me, said he had seen such a letter from Mr. Delano to the surveyor-general, as I have before stated.

Q. The only evidence, then, as I understand, of the fact that John Delano had received a portion of the money that was realized by the contract was contained in the letter of Mr. Stevens?—A. I do not wish to be so understood.

Q. Please state what evidence there was of fraud in the other papers accompanying the letter.—A. The papers, as I remember them, were checks; by whom drawn, I cannot say. There were some bank-checks, and the paper to which Mr. Stevens seemed to attach greatest importance was a draft, which bore the indorsement of Mr. John Delano. The amount I do not remember definitely, but I think it was about \$1,000.

Q. By whom was the draft drawn?—A. It was a draft, according to my recollection, of bank at Cheyenne, drawn on New York. I do not recollect to whose order it was payable, but one of the indorsements purported to be made by John Delano. His name was on Mr. Stevens, in his letter, alleged that the draft was part of the proceeds of a surveying contract.

Q. In addition to that draft, I understand you to say there were checks?—A. I think one or more bank-checks, and, perhaps, two or three notes.

Q. Do you remember the amount of the checks or notes?—A. I do not.

Q. Can you remember to whose order they were drawn?—A. I cannot. My impression is that Mr. Stevens, in his letter, claimed to have kept the account himself and to have made the deposit, drawing the checks and paying the money, but to whom he claimed to have paid it I do not recollect.

Q. What was the date of this letter? Was it subsequent to the date of the check or the draft, or prior thereto?—A. I cannot state about that. I do not remember.

Q. Do you remember whether there were any other documents in the package of papers, excepting the drafts and checks, that would indicate any irregularities on the part of Mr. Delano, excepting the letter of Mr. Stevens himself—his own allegations?—A. None at all. Among the papers sent me by Mr. Stevens was a letter from John Delano to the surveyor-general, but my recollection of its contents is not sufficiently distinct to enable me to speak with any degree of certainty about it. My best recollection is that it gave the surveyor-general direction as to how a certain contract should be made and in whose name.

WASHINGTON, March 28, 1876.

BENJAMIN H. BRISTOW recalled.

By the CHAIRMAN:

Question. Is there anything further you desire to state, Mr. Secretary, in relation to this matter? If so, we would like you to state it.—Answer. I can state, Mr. Chairman, that since I was before the committee the other day I have examined my files and do not find that I have retained any of Mr. Stevens's letters. Whether I returned them to him or destroyed them I cannot say.

By Mr. BOONE:

Q. I believe you said you would give us his given name?—A. Yes, sir; I find, from a letter-press copy, that my letter dated July 1st, returning the papers, was addressed to Mr. L. C. Stevens. I find by this letter that his letter to me inclosing the papers was of date 24th of March.

Q. You spoke of some notes. Do you remember by whom they were drawn and by whom they were given, and were they ordinary notes of hand—promises to pay?—A. The names of the parties were all wholly unfamiliar to me, and I cannot give them, although my impression is that the notes were alleged by Mr. Stevens to be given by the deputy surveyors, or the parties who had the surveying contracts. I don't know that that is what they are called. To whom they were payable I cannot answer, although Mr. Stevens alleged they were executed for the benefit of John Delano.

By the CHAIRMAN:

Q. You returned the papers on the 1st of July?—A. Yes; and I find by this letter that the date of his letter inclosing them to me was the 24th of March.

Q. Have you any idea what the date was when you received his letter?—A. I have not; I suppose I received it in the ordinary course of mail.

Q. That would bring it here about the 1st of April?—A. Somewhere about that I should say, though I have no independent recollection of it at all.

Q. Can you state how long after you received the letter it was before you laid it before the President?—A. It was a very few days.

Q. How long did the papers remain with the President?—A. From that time until about the 1st of July, the time that I returned them. I think I did not keep them in my hands, perhaps, not a day after I received them. I think I returned them the day I received them.

Q. Do you know whether the President sent for Mr. John Delano and had an interview with him about the matter?—A. I do not.

Q. Did you ever have an interview with the President yourself, after that time, in relation to them?—A. I did not; I had no interview with the President on the subject, except when I laid the papers before him, and then expressed no opinion whatever.

By Mr. BOONE:

Q. Can you state when Mr. Delano resigned?—A. I think in September or October.

By the CHAIRMAN:

Q. His resignation was accepted, you mean, in September or October?—A. Well, what I mean is, he went out of office in September or October.

Q. Do you know about the date of his resignation?—A. I do not; I suppose I have seen it published in the papers, but have no recollection as to date.

Q. You have no knowledge of the time when ex-Secretary Delano tendered his resignation to the President?—A. I have not.

Q. Was or was not this subject discussed in Cabinet meeting prior to the time that Secretary Delano resigned?—A. At no time when I was present, and at no other time so far as I know or am informed.

Q. Do you know how long Surveyor-General Reed retained his position after these facts came to the knowledge of the President?—A. I do not, sir.

Q. There never was any investigation of this, so far as you know, by the Interior Department?—A. I don't know of any, and I should not have known of any, perhaps, if it had occurred.

WASHINGTON, D. C., March 31, 1876.

SILAS REED sworn and examined.

By the CHAIRMAN :

Question. What are you engaged in at present?—Answer. I am not engaged in any regular business in particular at present.

Q. Where do you reside?—A. I have been residing in Wyoming for the last six years. I was United States surveyor-general there.

Q. Tell what time you were surveyor-general?—A. Until the 23d of September last.

Q. And you held that position for six years, did you?—A. Very nearly—say six surveying seasons. Saint Louis has been my standing home for thirty-nine years. I consider that my chief home now.

Q. Were you removed or did you resign?—A. I resigned, sir. I found that letter in my valise this morning. I did not know I had it with me. You can examine it. [Paper produced.] That is the President's letter accepting my resignation.

The letter, which is marked "Exhibit A," reads as follows :

"LONG BRANCH, N. J., August 7, 1875.

"DEAR SIR: Your letter of resignation of the 30th of July, was duly received, but has not been acted upon until now. I have this day forwarded it to the Secretary of the Interior, with instructions to accept it, to take effect on the 10th of Sept., or as soon thereafter as your successor may qualify. In accepting your resignation, allow me to say that I know of no reason to be dissatisfied with your administration of the office of surveyor-general. On the contrary, I believe it has been efficiently and advantageously to the Government filled during your entire administration.

"With sincere wishes for your welfare, and assurances of my personal friendship, I am, very truly,

"Your obedient servant,

"U. S. GRANT.

"Dr. SILAS REED,

"Surveyor-General, Wyoming Territory."

Q. Had you ever had any communication with the President prior to the date when you tendered your resignation?—A. I saw him personally frequently.

Q. Did you come on to Washington and see him personally?—A. No; I was here last winter and spring most of the time, pursuing a claim here (in this Congress) of mine for property taken in Saint Louis for custom-house.

Q. That was during the winter of 1874-1875?—A. Yes, sir.

Q. Did you tender your resignation while here?—A. No, sir.

Q. Did you and the President have any talk at that time about your resignation?—A. I do not think we did. The last time I saw him before I went back to Wyoming was on the 29th of April. I had a long talk with him about this affair then; but nothing was said about my resignation, or his removing me, or anything of the kind.

Q. What gave rise to the talk about this affair?—A. Because I found that this chief clerk of mine had been purloining papers from the bank and from my office, and sent them down here to Ex-Governor Campbell, and Campbell had taken them to Bristow, as I learned, and Bristow had shouldered them and taken them up to the President, and had it telegraphed over the country that grave charges had been filed against Mr. Delano. The President looked at the papers, and I heard of it, and went up and saw him the 29th of April.

Q. You knew nothing about the affair until you saw it in the newspapers?—A. I do not know whether I understand your question.

Q. Why, the first intimation that you received that these papers had been sent on by your clerk was derived through the newspapers?—A. O, I derived it here at that time.

Q. Who told you?—A. Well, I think I got the first information here on my arrival from Saint Louis. I had been out to Saint Louis on some business the fore part of April, and I returned and stopped on my way to Boston for my wife and took her with me to the mountains, and I derived information here, whether from some party in the Land-Office or whether from John Delano, I would not be certain now, but I might have got it from both.

Q. That was early in 1875?—A. I got that information on the 28th of April, in the evening, and on the 29th I went to see the President to see whether he had got such papers. I found that he had, and I told him that they were stolen and what they were. He said that he did not see that they amounted to anything, and he had not seen fit to speak to Mr. Delano about it. I remember that John Delano thought that Stevens was here at the time, and I told him no, he was still acting as chief clerk at my office, and when I found he was treacherous, I telegraphed the evening of the 29th to Cheyenne his removal from my office.

Q. Where were the papers at that time?—A. I suppose they were in the President's hands. I understood the President so.

Q. Did you ask him for them?—A. Well, I don't know whether I did or not. I think I may have asked him for Mr. John Delano's letters. It strikes me I did, but I remember his saying that he would return them to John Delano to whom they belonged; that he had not thought enough of it to mention it to Secretary Delano or pay any attention to it, and that he would return them to John Delano. That is my impression now, although I would not like to be positive.

Q. Did you and the President look over the papers together?—A. No, sir.

Q. Did you see them?—A. No, sir; never have seen them since they were stolen from my desk.

Q. Did you ask him to let you look at them?—A. I cannot be positive. Something was said about the papers.

Q. If you did, he refused to show them to you, did he?—A. If I did ask him that, I think he declined—I remember the remark he made that he would hand them back to John Delano. I told him one of them was a private letter, or a semi-official letter to me, and I did not think that ought to be floating about, because it would be misunderstood or misrepresented among strangers.

Q. These papers were sent by your clerk to Ex-Governor Campbell and by him given to Secretary Bristow?—A. That is what I heard; that was the understanding.

Q. And by Secretary Bristow given to the President?—A. Yes, sir.

Q. How is it, then, that they belong to John Delano?—A. Because that was his letter, and the other was his canceled draft.

Q. To whom was the letter addressed?—A. To me, sir.

Q. By whom was the draft drawn?—A. It was drawn in Mr. Delano's name, by our bank.

Q. The draft had been paid, had it not?—A. Yes; and came back to the bank.

Q. Then, if it was John Delano's letter to you, and it was a draft to John Delano which had been paid, how did the papers belong to John Delano?—A. The canceled draft belonged to our bank, really, I suppose.

Q. The letter belonged to you, did it not?—A. Strictly speaking, the letter belonged to me.

Q. Still, you say the president said he would hand them to John Delano because they belonged to him?—A. Well, John Delano wrote it to me. I do not know what he thought about it. My thought in saying they belonged to John Delano was that he seemed to me the most rightful owner, after they were out of the hands of our bank, and my office.

Q. You knew the papers did not belong to John Delano?—A. Well, strictly speaking, I may say the letter belonged to me, and the canceled draft to our bank.

Q. When the President then said to you that they belonged to John Delano, and he would return them to him, did you correct him?—A. He did not make that remark, that they *belonged* to Delano—did not say *that*.

Q. You said the President said the papers belonged to John Delano, and he would return them to him.—A. Well, I am giving my recollection as near as I can. I know very well he said he would return them to John Delano, but whether he used the remark that they belonged to John Delano, I cannot say. At first blush it seemed to *me* they belonged to John Delano.

Q. There were other papers besides this letter to you and this draft?—A. I do not know, sir.

Q. Were there not some notes among these papers?—A. No; I do not think there were.

Q. Were there not some checks?—A. I do not know of any. There were checks, probably, passed, but I do not know of any checks in the hands of the President. If there were checks, they were stolen out of our bank. I have not discovered them missing yet, nor hunted for them.

Q. The only papers that you knew of, then, were John Delano's letter addressed to you, and this draft?—A. Yes. Well, I remember they spoke of checks.

Q. Who spoke of checks?—A. Well, the parties who were discussing this thing at that time.

Q. Who were they?—A. I heard them talk around the newspaper offices up there. I think Boynton spoke of them as checks in his telegram. I speak now only my impression.

Q. To the Cincinnati Gazette?—A. One, I think, to the Cincinnati Gazette, and one to the Saint Louis Democrat, and one to the Chicago Tribune.

Q. Was that the only means you had of knowing there were notes and checks among these papers?—A. Yes. I have never seen them since they have been here.

Q. The only information you had on that subject is what you saw in the newspapers?—A. I derived it in that way and in conversation.

Q. With whom was this conversation?—A. I talked with several here. I know that John Delano told me he had inquired into it pretty thoroughly, and that this canceled draft had come here, and some of his letters had come here, and checks.

Q. Did not say anything about notes?—A. No, sir.

Q. Did John Delano tell you where he got his information, or from whom he got it?—A. I do not remember now that he did. I know he said Stevens was here, and he brought down these papers from Cheyenne, and they had been given to Campbell, and Campbell had given them to Bristow, and Bristow to the President. I asked the President who gave them to him. He would not tell me; but I found out it was Bristow who took them up, and that tallied with Boynton's flash telegram of 19th or 20th of April.

Q. Who told you that Bristow had taken them to the President?—A. John Delano, for one. I remember this distinctly. I do not know that I could name any others now. I know it was talked around in the circle of my acquaintance here in the city.

Q. Did John Delano tell you that he had had an interview with the President in relation to the papers?—A. I do not remember that he did.

Q. I wish you would try and remember whether or not he told you he had had an interview with the President in relation to this matter.—A. Well, I do not remember whether he did or not, and still I would not be surprised if he told me he got this information from the President. I will not be positive now.

Q. You think he told you that?—A. Well, I will not say that I even think so; but since you recall my mind to it, I am rather under the impression that he said he had seen the President and talked with the President; but I am not positive at all on that point.

Q. Do you remember whether he told you that the President had sent for him?—A. No; I do not believe he did. I do not remember anything of that kind. Some papers stated so, I think.

Q. But you think he did tell you that he had had an interview with the President about the papers?—A. I say I think he may have told me that. My mind is not clear about that, or what he said about that. I know he had the impression that Stevens was here—must be here; and when I came in on the evening of the 28th of April, 1875, and met him, I did not know that there was anything going on in this line until I met him at his hotel.

Q. You say you telegraphed on the 29th of April, removing Mr. Stevens?—A. Yes, sir.

Q. Did you appoint his successor immediately?—A. Yes; I appointed a man to take charge of the office until I got there.

Q. Who was that?—A. One of my deputies, who had been chief clerk before Stevens.

Q. What was his name?—A. Charles J. Reed, of Iowa.

Q. Is he a relative of yours?—A. Yes, sir; a nephew of mine. He had been chief clerk a couple of years when I first went up there.

Q. Did you re-instate Stevens?—A. No, sir; I do not think I did.

Q. You know whether you did or not?—A. I know that I did not.

Q. Did you get possession of these papers afterward?—A. What papers?

Q. The papers that were in the hands of the President?—A. No, sir.

Q. You never saw the papers after they left your office in Cheyenne?—A. No, sir.

Q. Do you know who got them from the President?—A. No, sir.

Q. All you know about it is the President told you he would return them to John Delano?—A. That is what I understood him.

Q. You knew the papers belonged to you, but you were perfectly willing that they should be in the hands of John Delano?—A. I did not say that.

Q. You made no objection to the President returning them to John Delano?—A. I did not want to parley with the President about it, for he did not think them of moment enough to inquire of the Delanos about it. I did not think much about it, or care much about it, one way or the other. I did not trouble myself particularly about it.

Q. You do not know what became of the papers?—A. No, sir; only what I read.

Q. Was there among these papers a letter from ex-Secretary Delano to you?—A. I do not know whether there was or not. I read of a letter described by Stevens, and I went to Mr. Stevens last summer, and charged him with taking it from my desk, and he said he had not the letter. I said, "Have you that letter? I cannot find it—the letter Mr. Delano wrote me in October, alluding to this matter;" and he said no, but he had seen it, and remembered its contents. That is what he told me last summer. I asked him how he got John Delano's letter to me. I said, "You purloined that out of my desk." He said, "No," I had handed it to him and he had kept it. I knew better; I denied the truth of his statement.

Q. Did you go to him and ask him to return the letter from Ex-Secretary Delano to you?—A. I forget whether I asked him to return it. I went and asked him about that, and some other things.

Q. You say you went to him and asked him for the letter from Ex-Secretary Delano to you?—A. I asked him if he had taken that letter out of my desk, and he said no. I said, "I think you have; I saw it referred to in these telegrams in the matter furnished by you," and he said he had only looked at the letter and remembered it. Well, I have not been able to find the letter since, and I think he purloined it, the same as he did the John Delano letter.

Q. The date of that letter was October, 1874?—A. Yes, I think it was.

Q. What was the subject of the letter?—A. Well, I could not repeat the letter. It was in regard to something I wrote him. I may have spoken to Mr. Delano of John's having an interest in a contract which would meet his expenses. I do not remember just what I wrote.

Q. You think you mentioned to him the fact that he had an interest in a contract that would meet his expenses?—A. Yes, something to that effect. In his reply he thanked me for my kindness toward John in a general way.

Q. What was the word—"kindness" or "liberality"?—A. I should say "kindness;" I do not think there was any "liberality" stated about it—in his letter or mine.

Q. Was it kindness or favor?—A. Well, it may have been favor or kindness. One of those words; the latter, I believe.

Q. What was this kindness or favor that the Ex-Secretary alluded to?—A. It was in regard to whatever I said to him. He hoped I would be careful not to do anything that would look like compromising him or his Department in any way.

Q. He advised you to be careful?—A. Yes, something to that effect. I could not repeat the language. That was the first he knew anything about this, as far as I know, that I had connected John Delano in a contract the spring before.

Q. When did John Delano arrive in Wyoming Territory?—A. He did not get there until July, 1874.

Q. How long did he remain?—A. Well, he remained some time; went over the Territory with me, and went to Utah with me, and around over the mountains a good deal. He went to the Colorado Mountains also.

Q. When did he return to Washington?—A. I do not think he returned to Washington until the following January, as far as I know.

Q. In how many contracts did Mr. Delano have an interest?—A. Well, I do not think I could repeat them without reflection; have no memorandum with me.

Q. Repeat some of them.—A. Three or four contracts. They were very small contracts, the most of them, except the first one, and that was as small as the usual season contracts.

Q. What was the first contract for?—A. Surveying public lands.

Q. Township lines?—A. Some township lines, and some section lines.

Q. What was the amount of that contract?—A. It was about \$4,000.

Q. Who was the contractor?—A. One of my deputies by the name of Hammond was the contractor.

Q. What was his first name?—A. He signs his name J. Wesley Hammond.

Q. Where does he live?—A. He lives in Cheyenne.

Q. Has he a contract at the present time?—A. No, sir.

Q. What was John Delano's interest in that contract?—A. It was a half interest.

Q. Then he realized over two thousand dollars from that contract?—A. No, sir; he did not. When I say "half interest," I mean half of the proceeds after paying his half of all expenses, and paying the deputy for surveying his portion of it, at the rate of \$125 per month, for his individual service.

Q. What was the amount of profits that he realized from it?—A. He realized about \$1,100—a fraction one way or the other.

Q. Mention one other contract in which he had an interest.—A. Do you mean to whom the contract was given?

Q. Yes; to whom was the contract given?—A. There were some small contracts given to some of the deputies; three or four small contracts. This contract that I speak of now, of Mr. Hammond's, was given early in the spring, in May, 1874, so that he might get to the field very early. It was given out of the appropriation of the year previous, an old balance of appropriation, with a view to get them to the field early, and that was all I could give them at that time in that way. There was no secret in my office and among my deputies that I had set aside a certain amount of work for John Delano, and that he should come and do it, or furnish a good man to go in partnership with him, a man that I knew was a reliable, experienced, and honest deputy. When they found out my purpose of giving him a contract, and that he might suggest some man abroad and want to have me adopt him as a partner of his, they remonstrated against introducing more new men into the office. I had a good many deputies, and they did not want any new ones to be introduced. Well, they proposed that they would prefer to do this work, and work it upon shares for Mr. Delano, as his partners, on the same principle as though they were all in the field together. Mr. Delano's name would have been in the contract if he had been there, but he could not get out there in time. He started out, and his wife took sick, came near dying, and when she got better in June, he took her to the White Mountains, and then he came out there; but in the mean time the deputies could not wait, and they wanted to go forward, and they preferred to have their names put in alone and not wait for Mr. Delano. Mr. Delano seemed to think I could put his name or somebody else's name in. He did not understand the regulations of the Department. I could not put in a party's name who was not there, and make affidavit, and to sign his name to the contract. I gave all those deputies other separate contracts, and this contract that I awarded to John Delano, it was divided up into small parts around among them.

Q. John Delano's name did not appear in any of the contracts?—A. No, sir.

Q. It has not been your habit to give contracts to persons who were not practical surveyors?—A. Yes, sir, I have, but put a practical surveyor with them, and that is often done.

Q. Did you ever do that to any person except John Delano?—A. Why, yes, to several.

Q. You did award a contract to a person other than John Delano who was not a practical surveyor?—A. Yes, sir; I put any man's name in whom I wanted to introduce into the service, but united him with a good, experienced surveyor.

Q. So far as a contract was concerned, you never did?—A. I awarded a man a certain amount of work to do, sometimes not a practical surveyor, and I selected a good deputy to go in with him, or if he selected one that I thought was perfectly competent I approved him. That is done by all surveyor-generals.

Q. You say you have awarded contracts to persons who were not practical surveyors. Did you put a practical surveyor with them?—A. Yes, sir.

Q. Did the papers show that any other person besides John Delano had a contract who was not a practical surveyor?—A. Well, if I understand you, I say no, sir. The papers did not show the practical from the non-practical deputy.

Q. So far as the papers showed, then, the contract was always with a deputy?—A. Always with my old deputies, as the only party named in the contract.

Q. But, in fact, it was with some other person?—A. In fact another person had an interest as a partner in the work set apart to him by me.

Q. The contract was made with some other person and the deputy simply appeared in the papers?—A. No; the contract was written in the name of the deputy who performed the work. The contract of so much surveying was awarded to another party, and these deputies took it as partners in equal profits, and had the contracts made in their names, only in the case of John Delano, and they worked it up and divided the profits, after paying all expenses and paying themselves for their work, as deputies on his half, at the rate of \$125 a month.

Q. What other persons besides John Delano had interests in these contracts?—A. The men whose names would appear in the contract—my old deputy, Mr. Hays; and Mr. Thomas, I think, is another.

Q. Mr. Thomas had an interest in a contract?—A. Yes; he was surveying all summer for himself first.

Q. What other people had interests in these contracts who were not practical surveyors, besides John Delano?—A. Nobody.

Q. Then you take back what you said awhile ago?—A. You are speaking of contracts of 1874. You asked me if I ever put anybody into a contract that was not a practical surveyor. I told you I had.

Q. Well, tell me who.—A. The two Downeys, of Laramie City, in 1870, after acting awhile as learners to old deputies. I took deputies with me when I went there. I had been an old surveyor-general, and I took with me from Missouri those whose honesty I could trust in the spring of 1870, and I kept them with me all the time, so that my surveys on the ground are particularly represented by the notes. The corners are there, too.

Q. What other persons besides the two Downeys and John Delano had interests in these contracts?—A. This I now refer to was away back in the beginning of my administration. The Downeys' names were in their contracts. I had to drill men who were not thorough surveyors at that time—work them in with old surveyors. I had to use the solar compass in all cases, and it took a good deal of practice to learn the use of it. The Downeys were contractors.

Q. Do you mean to say that surveyors were so scarce at that time that you had to teach men the art of surveying?—A. No, sir; perhaps not.

Q. What do you mean?—A. I wanted to take in some men whose honor and honesty and fidelity I had confidence in, and I educated some of them to the business there; and I did the same thing when I was surveyor-general of Illinois and Missouri, and four deputies became surveyor-generals afterward.

Q. Then it was part of your business as surveyor-general of Wyoming to educate people in the art of surveying?—A. Not alone. I put them with other men.

Q. Why did you put such men in when you could have practical surveyors in the first instance?—A. I did not know who I could trust.

Q. Did you award contracts, then, to men who were not practical surveyors simply because you feared you could not trust those who were practical surveyors?—A. I do not pretend to say I awarded a contract to a man who was not a practical surveyor, unless he was in partnership with a man who was a practical surveyor. He would go with him.

Q. In making out the papers of these contracts, did you ever insert the name of a person who was not a practical surveyor?—A. Why, yes; certainly I have; that is a common thing.

Q. Now, to whom did you award a contract who was not a practical surveyor?—A. Well, sir, the very first or second contract I gave to an old deputy who came up from Kansas, and represented himself to be an old surveyor.

Q. He was a surveyor?—A. He had been a surveyor.

Q. You have stated that you awarded contracts to persons who were not surveyors?—A. Well, I put with him Captain Windsor, an assistant railroad engineer.

Q. Was the contract made out in the name of Captain Windsor, or in the name of this surveyor?—A. In the name of both of them.

Q. To what other persons did you award contracts who were not practical surveyors?—A. Well, I made a great many contracts, and it is pretty hard for me to keep the run of all in my mind now. I know I put in the two Downeys, living in Laramie City, who were surveyors, but not United States contractors before, and they surveyed a good deal since.

Q. Were those contracts made out in the name of the Downeys?—A. They were made out in the name of the Downeys, but I made them go out one season with some of the deputies, before I gave them a contract, to learn the practical part of United States surveying.

Q. You sent them out one season to learn the art of surveying, and then next season you gave them a contract?—A. Well, that is about it. I took them into the business because they were there, and urged upon me by the Laramie people.

Q. Were they able to learn the art of surveying in a few months?—A. Yes; an educated man who gives his attention to it, can learn how to do it in six months, or even two months, if very industrious.

Q. You have told us that Mr. John Delano's interest in the first contract was one-half. What was his interest in the next contract, and with whom was it made?—A. Mr. Hay had a small contract.

Q. What was that contract for?—A. That was for surveying.

Q. How much?—A. Well, I cannot be positive about that. My impression is that it was about \$1,800—three townships; that is as near to it as I remember.

Q. How much a mile?—A. Ten dollars a mile for section work.

Q. That is the maximum sum, is it not?—A. Yes, for sectionizing; that is what the law allows.

Q. What was Mr. Delano's interest in that?—A. One-half the profit of it; whatever was made over expenses.

Q. Do you know what the profits were?—A. No, I do not know.

Q. In what other contract did he have an interest?—A. He had one of about the same amount with John B. Thomas.

Q. Was that for surveying township lines?—A. I think so.

Q. How many?—A. About three townships; not less than that; might have been a trifle over; there would be a fraction of a township sometimes.

Q. Ten dollars a mile?—A. Yes; there might be three townships, and a fraction, as sometimes was the case.

Q. That contract was let at \$10 a mile?—A. Ten dollars a mile.

Q. All let at the maximum sum?—A. Yes; I always let them at that during the six seasons I was there.

Q. Mr. John Delano was interested in the contract awarded to Mr. Thomas?—A. Yes.

Q. Do you know what that amounted to?—A. No; I did not pay any attention to the outlay of any of them but the first one. Mr. Hammond brought me his account, and he told me what it cost, and the profits arising to both.

Q. You think the contract amounted to \$1,800 with Thomas?—A. Yes, that was about it; might have varied a little from that.

Q. Does not the surveying of three townships at \$10 a mile, amount to more than \$1,800?—A. No, sir; That was the uniform price I paid during the six seasons there. It is generally very broken ground in the mountains; most of the surveying there was on the mountains.

Q. What is the length of all the lines surveyed in three townships?—A. Sixty miles to each township, if the township is just six miles square. If it is a little less or more, as it is when you come up against the standard lines, it would overrun or underrun; but away from the standard lines it is six miles square, and that gives sixty miles of surveying, and at \$10 a mile it makes \$600, and three times \$600 would be \$1,800.

Q. These were adjoining townships?—A. Yes, generally; the contracts show that for themselves.

Q. Was it necessary to run over the lines into the adjoining township?—A. They surveyed each township by itself. They would not go over the line until they had surveyed the township.

Q. Then they surveyed the lines adjoining townships twice?—A. No, sir.

By Mr. ANDERSON:

Q. Were you sectionizing the township in surveying it?—A. Yes; inside the township boundaries.

By the CHAIRMAN:

Q. There is sixty miles of lineal measurement in a township?—A. Yes; but that does not include the boundary lines. They are surveyed before. This is what is called sectionizing. It is not often that the same deputies who sectionize survey the boundaries. They are let in separate contracts. It is a sort of a check, one upon the other.

Q. Mention the next contract in which John Delano had an interest.—A. Well, there was one of the same amount with Mr. Alfred N. Rogers.

Q. Was his contract to survey townships, too?—A. Yes, sir; that is my recollection.

Q. He is a practical surveyor, is he?—A. He surveyed there for six years.

Q. And Mr. Delano's interest in his contract was the same as in the other contracts—one-half?—A. Yes.

Q. And he realized from it about \$900, you think?—A. O, no. When townships are fair, and not too broken or too rocky, they can save in the neighborhood of half. Now, if they save half in surveying out an \$1,800 contract, it costs \$900 or more to survey it, (and it is very expensive to survey there,) there is \$900 left, and that is to be divided between the two parties; but the deputy is to have his pay in addition; they charge \$125 a month for the partner's half.

Q. In what other contract did Mr. Delano have an interest?—A. He had an interest in another small one with Mr. Reed, former chief clerk of mine.

Q. What was that contract for?—A. I cannot be positive whether that was \$1,800 or not. It seems to me he had four townships, but I cannot be positive about that. If I remember rightly, he did not survey one of the townships that was in his contract. I think he left one out. I cannot be very positive on that score. I think there was one he did not survey; got out too late in the season, perhaps. It was \$1,800, I think.

Q. Did he have an interest in any other contract?—A. No, sir.

Q. Did not these deputy surveyors execute notes payable to Mr. John Delano, or to some other person for him, before they entered upon the work?—A. No, sir.

Q. How was John Delano paid?—A. He was paid by the deputies after the contracts were surveyed, and after the work was brought into the office, and the plats made out, and the field-notes copied. It takes three or four months after the deputy comes in from the field, sometimes, to get the accounts to Washington for settlement at the General Land-Office.

Q. The money was drawn in the name of a deputy?—A. Yes; always is.

Q. John Delano's name never appeared in the contract, or in any papers connected with it?—A. No, sir.

Q. And you say there were no notes executed by these deputy surveyors?—A. Hammond made some note about it, but the note was not before he went out; it was after he came in.

Q. Was it at that time?—A. Yes; after the accounts and cost of survey were known.

Q. These notes were payable to John Delano?—A. Well, I do not remember as to that; I think not, however. They were not given to him, nor sent away from the office.

Q. They were executed for John Delano's use?—A. Yes, sir.

Q. Before the draft was drawn for the surveys?—A. When they found out what the profit would be between them, then they made some memoranda of it. They could not find out what the profit would be until they had finished the work and got back to the office. Most of them surveyed that year 400 miles distant, and they would come in late in the fall and have their notes examined and their plats made out—three plats for each township—those notes all copied to come along with the plats to the Land-Office, and the account to come with each, approved by the surveyor-general. Then when they had examined it here, after a month a draft would issue and go to them. But when this amount was made up, then they, by calculating their expenditures and time that they themselves had been surveying, and taking them out of the sum-total, they knew what the balance was, and what they must divide among them.

Q. What was your share of the profits of the surveys?—A. Well, I decline to answer such a question as that, sir.

Q. I think you must answer.—A. No, sir; I do not think it is a proper question to ask me, if I may be allowed to say it.

Q. Well, sir, you are not to be the judge of that. You were an officer of the United States—a surveyor-general. You will have to answer unless you say it would criminate you.—A. No, sir; I say it would not criminate me. I say it is an insulting question. And I say that no living man can say I ever received a dollar.

Q. Do you say the answer will not criminate you?—A. Yes; I do.

Q. Then we ask you to answer the question.—A. Then I say no dollar came to me.

Q. You received no portion of the profits of these contracts?—A. No, sir.

Q. Neither directly nor indirectly?—A. No, sir; not that I know of.

Q. Not that you know of?—A. Not that I remember of.

Q. You certainly would remember whether you did or did not receive any portion of the profits of the surveys, either directly or indirectly.—A. Yes; I remember very distinctly that I did not.

Q. You say, then, upon your oath that you received no portion of the profits of these contracts, either directly or indirectly?—A. I am not conscious of receiving anything, sir.

Q. Among the papers that you say Mr. Stevens stole from your desk, there is a draft, I believe.—A. No, sir.

Q. Was it a check?—A. No, sir.

Q. What were those papers besides the letter from Secretary Delano to you?—A. Nothing but letters, that I know of.

Q. Was there more than one letter?—A. I don't know. I have seen one in print that Mr.

John Delano sent to me ; I have seen it copied and represented as being a letter to me, but whether it is a true copy, I don't know.

Q. Who has that ?—A. I don't know who has it.

Q. Who showed it to you ?—A. I have seen only a copy of it in the paper.

Q. What paper ?—A. Well, I saw it in the New York Tribune, I think, and in a little paper published in Wyoming since I came away from there—I believe I have it with me—a statement purporting to have been made by Mr. Stevens to Mr. Boynton, and Mr. Boynton telegraphed it all over the country. It is a statement that, while there is some little shadow of truth in it, the greater part of it is a lie, as stated.

[Witness produces newspaper.]

The letter, which is marked Exhibit B, reads as follows :

“INTERIOR DEPARTMENT, WASHINGTON, D. C., *May 26, 1874.*

“DEAR GENERAL : I have been detained by my wife's illness, but hope at last to get off to Saint Paul by Monday, and to reach Cheyenne in June. I shall have to return here by the last of June on my wife's account, but shall go back West for the summer and fall.

“Hope you will be able to put Merriam (I think it had better be in his name) into a good contract for me. I shall sadly need the profits for my summer's outlay—out of office, sick, unable to attend to my own affairs, runs me behind a good deal. Thanks for your kind letter.

“Yours, truly,

“J. S. DELANO.”

The WITNESS. I don't know whether that letter is a copy. That is about the substance of one of the letters.

Q. Is that the letter that was forwarded to Secretary Bristow ?—A. Yes, sir.

Q. Among the papers forwarded to Washington, was there not a letter from Ex-Secretary Delano to you ?—A. I don't know. Mr. Stevens said he did not take it ; but I think he has got it.

Q. Did you ever have any communication, either oral or in writing, with Ex-Secretary Delano in relation to these contracts ?—A. No, sir ; except the little allusion that might have been made in the letter of October, 1874.

Q. The Ex-Secretary was aware of the fact that John Delano was interested in these contracts, was he not ?—A. I don't think he was until the fall.

Q. Yet he alluded to the fact of your kindness toward John ?—A. I had referred to the contract, probably, in some way in October, when I wrote to him casually.

Q. In your letter to the Secretary ?—A. Yes, sir ; I did not keep any copy. Nothing. That is the first he knew anything about it, so far as I know.

Q. You informed the Secretary in October, 1874, that you had taken John into a number of contracts in surveying land in the Territory ?—A. No, sir ; not any such thing.

Q. What do you mean, then, by saying you alluded to it in your letter to the Secretary in October ?—A. I alluded to it as his having an interest in the contracts, or a contract there.

Q. To John's interest in the contracts there ?—A. Yes, sir ; his having an interest there which would bear his expenses. He was still in the mountains then.

Q. And in reply to that letter he thanked you for your kindness, liberality, or favor toward John ?—A. Yes, sir ; for kindness.

Q. In the interview between yourself and the President, did you make known to the President that John had interests in certain contracts ?—A. I did tell him so, and I can tell you his reply. Do you want to hear it ?

Q. Yes ; we will hear it.—A. I told him Mr. John Delano had been interested in some small contracts there. They were all small—every one of them—made so in order to divide his work up among those who wanted it ; and I said, “I suppose you understand, Mr. President, that John is a private citizen, not in any office, and that there could be no objection to my using him in a contract of surveying ;” and he said, “Certainly not ; Mr. John Delano had as much right to have a contract as any other private citizen.”

By Mr. BOONE :

Q. Do you know for what purpose John Delano went to Wyoming ?—A. Yes, sir ; I suppose I do. He went in compliance with my invitation to go to the mountains for his health. That was the grand purpose. I had been urging it upon him for several months. I first suggested it to the Commissioner of the General-Land Office, in February, 1874. I don't think John was here then. I think he was in Minnesota. The Commissioner told me he had been there nearly a year, and was not improving any in his lung-complaint, and I said to the Commissioner I thought he ought to come to the Rocky Mountains and he would improve, very probably, and get well, if he would come there and spend a season, and I asked Commissioner Drummond if there would be any impropriety in my giving the son of the Secretary a contract of surveying in order that he might derive benefit enough to bear his expenses, and he said it would be entirely proper, and thought well of it, and advised me to

give him a contract. One question was, at that time, as to whether I should use his name in the contract. I didn't know but if the public came to see his name there it would become a matter of scandal and be misrepresented, and ought to be avoided if it could; and he said, "No; I would not care for that. He has as much right to have a contract as anybody. He is sick, and if you think it would benefit him, give him a contract; put his name in, and put a good, experienced, honest deputy with him."

Q. That conversation took place here in Washington with Mr. Drummond?—A. Yes, sir. I think in February, 1874.

Q. Did you consult the Secretary about inviting him out there before you left the city?—A. I did not consult him about giving John any contract.

Q. Did you consult Secretary Delano about inviting his son to go out to Wyoming?—A. No. I had some conversation with the Secretary in regard to the condition of his son, then in Minnesota, and I had the year before, when he was sick and went off to Texas; and I was here when he went off to Texas and when he came back, and I said he ought to go to the mountains. I urged upon John, in all my conversations with him, to go to the mountains. That was in May and June, 1873.

Q. Did you talk with the Secretary after that in regard to it?—A. I talked about his going to the mountains.

Q. Did he agree he might go?—A. No, sir; nor object.

Q. Did you tell the Secretary you would give him an interest in these contracts?—A. No. I did not know that he knew anything about it until it was all over. Some time in the fall of 1874 there was some allusion about it by myself, and then he replied to it in this letter spoken of. He did not know it through me that his son was to have a contract or any interest in the contracts whatever.

Q. You talked with the Commissioner of the Land-Office about giving him a contract. Did you not make known the same intention to the Secretary of the Interior?—A. I did not.

Q. Was it understood with John before he went out there that he was to have an interest in contracts?—A. Yes, sir; I used it as an argument to get him there.

Q. Why were you so anxious to have him out there?—A. I felt friendly to him and the Secretary. He was the only son of Secretary Delano, and I knew he felt very anxious about him. I knew I had lost *my* only son, and how I felt under the circumstances. I knew that he was in great danger of dying, for I am a physician, and it was a kind of a contest between his New York doctor and myself as to whether he should go farther than Minnesota. I said, "Go to the mountains." He said he would bleed to death as soon as he got there. I said he would do no such thing; and I rode with him on the mountains 11,000 feet high, and there was no bleeding from his lungs, and it cured him.

Q. In the conversation you had with Mr. Drummond in reference to his having an interest in these contracts, you say the question was canvassed as to whether his name should appear?—A. Yes, sir.

Q. And you agreed there was no impropriety in it?—A. Yes, sir.

Q. I understood you that in no contract that was made was his name mentioned?—A. It was not, because we could not get him there in time to have it inserted. He must sign it himself, and he must swear the iron-clad oath, and give bonds and all that sort of thing, to have his name in the contract.

Q. Were all these contracts that he was interested in made before he got there?—A. I cannot be positive about that.

Q. If they were not, why was not his name inserted?—A. Mr. Hammond's was made in May, and he did not get there until June or July. I don't remember about the others. I am trying to refresh my memory.

Q. I understand you to state that some of these contracts were made after John Delano got out there. Now I want to know why it was that John's name was not put in those contracts if they were made after he got there?—A. It depends on when they were made. If they were made near the end of August or fore part of September, I think John had gone over into the Colorado Mountains with Professor Hayden.

Q. Well, your answer is that all these contracts were made in his absence?—A. As a matter of course, or his name would have gone into them.

Q. Then he had nothing to do with the making of the contracts. You just made such contracts for him as you chose, and considered him interested or not, as you chose, and to such an amount as you pleased?—A. These contracts were made with the old deputies, and they divided up as they pleased. It was work I originally awarded to John Delano, to be surveyed in partnership by good deputies.

Q. And they were made in his absence and without his knowledge?—A. I was urging him in May to come on and sign a contract. He wrote that letter that you see there.

Q. I wish you would answer the question. I asked you whether or not these contracts were all made in the absence of John Delano and without his knowledge, and such interests were given in the contracts to him as you chose, without consulting him?—A. That is a pretty mixed up long question to answer.

Q. I will ask it a little at a time. I ask you, first, whether or not all these contracts were made in his absence?—A. Yes; they were signed and dated when he was not present.

Q. Was he consulted, and did he know the interest he was to have in any of them?—A. I let him know about the amount that I had set apart for him, in May, 1874.

Q. You set it apart for him?—A. Yes, sir; I set it apart for him; it was my prerogative.

Q. Then you did not consult him as to whether he would perform the work and take the interest in the contract or not?—A. Well, I don't know how to answer that.

Q. I understand, as you do, that it takes two to make a contract, and if John Delano made a contract I suppose he would know something about what he was to do and what he was to get. I ask whether, in making these contracts, you consulted him as to what amount of work he was to do, and what amount of interest he was to have, or whether you awarded the contract to him, and to a deputy surveyor, and gave him such interest in it as you thought proper?—A. The matter was talked over with him before the contract was made. I offered it and he expected it.

Q. Why did he not sign it?—A. He was not there. I have explained that.

Q. Why did he not sign, then, when you talked it over and agreed?—A. Well, he was not there. It was done mostly by correspondence. I don't remember that he was here in 1874, when I was proposing to do this, to Colonel Drummond. I think he was in Minnesota, and I proposed to correspond with him there.

Q. He did go out to Wyoming before some of these contracts were made?—A. Yes; some of those small ones. He came out and did not come there until after the first one was made.

Q. He was there before the others were made?—A. Yes, sir; but not in Wyoming—in the Colorado Mountains.

Q. Then I still press the question, why it was that John Delano did not sign the contracts and his name did not appear in them?—A. There was no good reason. I might have had him go into the office and sign the contracts there and then send them to the deputies in the field in Western Wyoming, but I did not know then what amount each one wished to survey.

Q. Were those contracts in writing?—A. Yes, sir.

Q. What is the form of one of them in substance, if you please?—A. Well, it is pretty hard to explain.

Q. I ask you whether or not the contract does not specify that certain gentlemen by name have made a certain contract to do a certain amount of surveying, for which they are to get so much?—A. Exactly so.

Q. In making that recitation in the body of the contract, is it anywhere expressed that John Delano is to get any part of it?—A. No, sir.

Q. It did not require his presence to make that recitation in the contract?—A. No; but it would require to sign it, if his name were in it.

Q. Why was not his name recited in any contract that he was to get a certain portion of the proceeds?—A. No particular reason that I know of, except that he was not there to sign in due time, and such recitation could not be made unless he signed.

Q. Now I will ask you whether it was not purposely avoided, in order to keep John Delano's name out of these contracts so that there might be no reflection upon the Secretary?—A. No, sir; I have no such recollection at all, because Mr. Drummond said there could be no objection to putting his name in the contract, or of his being a partner in one.

Q. You say you did not do it; why did you not?—A. In the first place we could not get him there, and then when he did come the latter part of July he did not stay in Wyoming, up to the time I think that those small ones were given; and the deputies disliked the trouble of using his name—he not living there.

Q. Still you did not recite in any contract that he was to get a part of the proceeds, and that would not require his presence. Why was that left out?—A. There was no design about it, except that it would require his presence often if his name went into the written contract.

By Mr. WOODWORTH:

Q. Those contracts mention the contracting parties. You were one of them as agent of the General Land-Office, and the other parties would be the men who were to do the work?—A. Yes, sir.

Q. The recitations would contain no statement of any benefit to be derived except by the contracting parties?—A. No, sir.

Q. That is the reason why John Delano should not appear if he was not there to sign the contract. Is that the way we understand it?—A. Yes, sir; I could not put his name in if he were not there to sign all papers and take all the oaths.

Q. He was not a contracting party, but simply there was an outside understanding between you and John Delano that he was to share in the profits?—A. Yes, sir; I told him at the outset how many townships I would give him—how much work—and he might select a good, experienced man to go in the work with him, and I would put that man's name in the contract, and then if he did not keep with his deputy all the time he could put another man in his place to assist that deputy, or pay that deputy for the extra work himself.

Q. But his name could not appear in the contract unless he was one of the contracting parties, and he was not one of the contracting parties so far as the contracts were concerned?—A. That is so, so far as his name not being in the written instrument.

Q. You have known John Delano how long?—A. Five or six years.

Q. You are a physician, you said?—A. Yes, sir.

Q. When were you appointed surveyor-general of Wyoming?—A. In March, 1869, first.

Q. Did you know him previously to that time?—A. No, sir.

Q. You became acquainted with him after you were appointed?—A. Yes, sir.

Q. You may state to the committee what other similar positions you had occupied before that time.—A. I have been surveyor-general of Illinois and Missouri, appointed by the President of the United States.

Q. By the President?—A. Yes, sir.

Q. State to the committee whether it is or is not usual, in letting contracts for the survey of lands, to include parties who are not practical surveyors; and, if so, you may state if there is any reason why it should be done, because of responsibility or otherwise.—A. It is done sometimes by the surveyor-general for some deserving man, and sometimes for political considerations. It is a common practice.

Q. Is it necessary to have a responsible man?—A. Yes, sir.

Q. And if the contract was let to two persons they would both be responsible for any mistake or failure?—A. Yes, sir; both had to be on hand to sign all papers, and they have got to certify to the field-notes, and to sign the accounts.

Q. So that while you might get a surveyor with skill, you might not be certain as to his entire responsibility, and might want to unite with him a person who was responsible otherwise?—A. That was the case with this first contract that I mentioned—this man from Laramie City, who represented himself to be a competent surveyor, and who turned out to be the greatest cheat living. I appointed him to please the people there, and I put with him Mr. Winsor because I told him I did not trust his honesty, and they both together made the poorest survey I ever had; I had to have it all gone over.

Q. How long was John Delano in the mountains or in Wyoming?—A. I don't remember how much he was there in Wyoming; he went out to the mountains.

Q. I mean engaged in this business of making surveys—engaged in this work?—A. He did not engage in the work. Sometimes he was out in the field, but he hired the deputy to do the work and they charged for their services, on his behalf.

Q. He was there from the 1st of July to January?—A. Yes, sir; if you mean about the mountains and California; in the winter time he was over in California.

Q. Tell the committee the entire amount of profit that John Delano made out of all those contracts put together?—A. I think it was about \$2,500. I see it stated there by Mr. Stevens at \$5,000, but he does not know what he is talking about.

Q. You made the suggestion to him to go out. And you have already said you have had no conversation with Secretary Delano about it. You made no suggestions to him, or he to you?—A. That is true.

Q. Either by letter or conversation?—A. No; not until October, 1874, after the matter was disposed of.

Q. John Delano had then been discharged, or was not a clerk in the Department?—A. He was not a clerk in the Department.

By Mr. BOONE:

Q. You stated in answer to Mr. Woodworth's question that you had an outside understanding with John Delano as to what he should receive, that was not put in the contract. Now, I want to ask you, did you make any contract with any other person than John Delano that such person was to receive any amount for surveying that you did not put in the contract.—A. I cannot recall the name of any one. I do not think any one received anything—any valuable contract—whose name was not in it.

Q. Why was this exception made in John Delano's case?—A. I thought I had explained that to you. I only spoke of those small contracts. Now, when this gentleman (Mr. Woodworth) comes to ask me about the mode of fixing the contract, it occurs to me that the chief reason was, in not requiring his name in those little contracts, that he was moving about a great deal, and we could not rely upon his being at my office when needed to sign papers—it would mix a multitude of difficulties into it. Unless he staid there for months and months he would not be on hand to sign the papers. If I used his name in the contracts he must come and sign to prepare papers for the General Land-Office, and must be there to sign the field-notes and accounts and everything of that kind.

Q. You have stated that you had an outside understanding with him as to how much he was to receive, and therefore you did not put his name in the contract.—A. No; I did not say that; I did not say "therefore," nor how much profit he was to receive.

Q. You said that was the reason?—A. It was my expectation all along to have his name in the contract.

Q. You state now you expected to have his name in the contract.—A. Yes, I did. I wrote him a letter to hurry up and come over in May.

Q. You made those written contracts in which you recite, as I understand, how each person is interested in it. I want to know whether in any of those contracts it is expressed that John Delano is to receive a part of a certain contract?—A. I say it is not expressed.

Q. Did you ever make a contract in which any person except John Delano was to receive

any part of the profits in which you did not put his name?—A. I do not remember that I did.

Q. I ask you why you made an exception in John Delano's case?—A. Because he could not come there at the time specified to make the contract and to get the deputy to the field; he could not get through as he expected; he was delayed by sickness in his family.

By the CHAIRMAN:

Q. Did you mention to the deputies that of this work they were to do John Delano was to have half of the profits?—A. They understood they were taking work I had allotted to Mr. Delano, and I put their names alone in the contract for convenience. They worked it upon the understanding that it was partnership business, the same as if his name had been in the contract.

Q. Did they give notes for their parts of the profits which were to go to Mr. John Delano?—A. When they came home and the work was fixed up in the office so they could know what it amounted to, and they could state the time they had been surveying, and what the expense of transportation and commissaries and all that sort of thing amounted to, and they could say to a dollar what the profit was, then they, some of them, gave some memorandum—late in the fall before I came away to Washington—they gave some memorandum as to what the share would be, the half of the actual profit.

Q. There was no memorandum of the agreement that they were to pay Mr. John Delano half of the profits at the time, or immediately before or after the time, of the making of the contract?—A. No written understanding that I remember.

Q. Those understandings were all verbal?—A. I think they were; yes, know they were, and voluntary.

Q. There were no notes given to Mr. John Delano, or any person for him, for any portion of the profits of the contract?—A. I said they did give some, a part of them, when they finished.

Q. At the time that they entered into those contracts, or immediately before or subsequent thereto, were there any notes given for a portion of the profits of the contract, to Mr. John Delano, or to any person for his use?—A. I do not remember any such; I know there were none.

Q. And no agreement showed in writing that they should divide the profits with Mr. John Delano, or any one else?—A. No; merely a verbal understanding, and that verbal understanding was carried out and put in the shape of a memorandum when I was coming away to Washington in November, 1874.

Q. When you called upon the President you explained to him the transaction with Mr. John Delano fully?—A. As fully as I could at such limited interview.

Q. And in reply to that the President said he saw nothing in it; you had a perfect right to award a contract to Mr. John Delano as well as any other citizen?—A. Yes; that is the substance of his remark.

Q. What induced you to resign your office?—A. Because I was very anxious to attend to my own affairs, which were suffering for my attention. I staid there two years longer than I ought, and longer than I intended to. I was appointed the second time in February, 1870, and I went out there, and in March, 1873, at the time of the President's inauguration, this ring that is now patching up this difficulty, mystifying and misrepresenting it, came down here and represented me to the President as a great Greeley man, sir, and as having attended Greeley conventions and worked for Greeley, and talked Greeley; and the President supposed my four years were out, looking at his book and referring back to March, 1869, and seeing all our names there, (Wyoming appointees,) and forgetting that he had appointed me a second time, he appointed a man in my place who came out and took possession. I then came down here and told the President I was very much maligned; that these fellows had falsified and misrepresented me, and I satisfied him that I had been his friend all the time, and that there was no cause for my removal, and he put me back again. When I went back I had to fight this ring all the while till I got them pretty well scattered, and then I concluded I might afford to resign. Ex-Governor Campbell was one of them. He came down here and joined his ranks to the Bristow ranks.

Q. Is Secretary Bristow one of the ring that you allude to?—A. Well, he was last spring, 1875; that is to say, they own him as their leader.

Q. And that is the party, with Secretary Bristow at the head of it, that you succeeded finally in dividing?—A. Yes; most all that took any active part in such matters are removed now; but they have held a convention lately in Wyoming and elected delegates to the national convention, and they are all Bristow delegates.

Q. Nearly all the office-holders who stood by Secretary Bristow have been removed?—A. No, not for that reason. They were offensive to the people.

Q. But all that have joined with him have been removed?—A. It was doubtless believed by Ex-Governor Campbell that Mr. Delano and myself got him removed, or urged the President to remove him, and that stirred up all this strife. They bribed this clerk in my office by promising that they could get Delano removed and Dr. Reed, too, and make him surveyor-general.

Q. They did get Delano removed?—A. No, sir; the President told me he would not be removed unless fraud was proved.

Q. He went out shortly after that?—A. No; not until the fall; nearly six months after. They said they were going to have Mr. Delano "step down and out," and the President said he didn't see any reason why he should "step down and out" unless they proved fraud.

Q. It was a contest, then, between Mr. Delano's friends and Secretary Bristow's?—A. Secretary Bristow's special friends proclaimed at Cheyenne in March, 1875, that Mr. Secretary Delano must step down and out within thirty days or he (Bristow) would; but Mr. Secretary Delano said he was not going to do so "under fire," and the President said he ought not to. They sent a commission there to examine alleged Indian frauds, and everybody alleging fraud had a chance to testify. I think nothing serious was found against Mr. Delano.

Adjourned.

WASHINGTON, D. C., April 8, 1876.

Dr. SILAS REED'S examination continued.

By the CHAIRMAN:

Question. In the testimony the other day you stated that the contracts in which Mr. John Delano had an interest were given to certain parties who did the surveying, and after deducting the expenses of the survey the profits were divided equally between Mr. Delano and the deputies. Now state whether or not these deputy surveyors were not to do the surveying at a stipulated price per month, and all they got was simply that price, and whether or not John Delano did not get the balance of the money.—Answer. To that I answer, no, sir. I stated in my testimony that the surveyor, whose name was in the contract and did the work, received for half his time pay at the rate of \$125 per month.

Q. Did he get anything else except the \$125 per month?—A. Yes, sir.

Q. What did he get in addition to that?—A. I do not know, sir.

Q. Do you mean to say that you deducted, from the amount appropriated, \$125 for each month that the surveyor was employed, and then divided the balance equally between the deputy surveyor and Mr. John Delano?—A. I did not deduct anything.

Q. Well, was that done?—A. That was their understanding.

Q. I did not ask you what the understanding was; I want to know what was done.—A. I said I did not know what was done, because I did not get the accounts of them except the first one.

Q. You have told us that, in one contract let to Mr. Hammond, Mr. John Delano's share of profits were \$1,100?—A. About \$1,100; a trifle over, perhaps.

Q. What was the amount of that contract?—A. I stated the other day about \$4,200.

Q. Do you know whether, in that instance, the deputy surveyor first deducted \$125 a month for his services and then divided the surplus equally between himself and Mr. John Delano?—A. Yes, sir; I can say that I know that most positively, because he made a memorandum and presented it to me of his whole expense, including hand-hire, supplies, railroad-fares, &c., because he went with all his teams and men on a railroad from Cheyenne to Evanstown, (I think four hundred miles.) That was all included in his memorandum account.

Q. Were there any notes passed between the parties?—A. Not that I know of, sir. I explained the other day that Mr. Hammond, the fall after he had finished his work, came back to the office, made up his account of all expenses, and divided the matter equally between himself and Mr. Delano, his silent partner. He then took a blank form of note of the First National Bank of Cheyenne and filled it out—filled out in that the portion for Mr. Delano.

Q. Was Mr. Delano's share of the profits put in one note?—A. Well, not entirely. I think they were divided into two—one was \$1,000 and the other was \$400; and in those amounts were included Mr. Delano's advances, which were \$250 if not \$300.

Q. To whom had he advanced money?—A. Advanced it for Mr. Hammond, or, in other words, Mr. Hammond drew upon him for half the necessary expenses to go to the field. He drew drafts through our national bank there, and the bank gave him the money; that is my recollection of it.

Q. Did Mr. Hammond and Mr. Delano ever meet, that you are aware of, prior to the time of Mr. Hammond's going to the field?—A. I do not know that they did.

Q. Was Mr. Delano out in the Territory at any time prior to the time that he obtained an interest in these different contracts?—A. Prior to what time?

Q. Prior to the time that you gave him an interest in these different contracts?—A. I cannot answer that.

Q. Did you ever meet Mr. Delano in your office in Cheyenne?—A. I cannot be positive about that.

Q. Then you do not know whether he was in your office at all, or whether in the Territory at any time?—A. Certainly; I know he was in the Territory.

Q. You know he was?—A. That he had been in the Territory?

Q. Yes, prior to this time, or about the time that the contracts were let.—A. I explained that fully and thoroughly, that he was not there at the time the contract was written out—did not come afterward, and the reason he did not come was because his wife had got sick on the way and came near dying, and he could not come.

Q. Do you mean to say that Mr. Delano left the city of Washington and was on his way to the Territory prior to the time that you let these contracts?—A. No, sir; about that time.

Q. About the time?—A. I cannot be positive as to the time he left here. I received frequent notes from him during the month of May, about the time I was getting ready to make this contract, and in reply to notes I sent him hurrying him there. This note of his to me that has been published, if it is a correct copy that is published, is dated the latter part of May.

Q. And it is written from the Interior Department, is it not?—A. [Examines the paper.] It seems to be written from the Interior Department. I do not know whether it was written there or not. I suppose so from the fact that it is headed that way, and is postmarked Washington. I do not know what the date is—it is either the 20th or 25th. That letter came to my office at Cheyenne in my absence in Utah. I see on the back of the envelope that I received it June 10; that was the date of my return from Utah. I also received, I think that very day, a telegram from him from Saint Paul asking me to meet him at Omaha. I immediately replied to him at Saint Paul by telegraph that I would meet him at Omaha to consult about this contract. You can see from that letter that we were discussing the matter of the contract and the importance of his being there to have his name inserted. He asks if I cannot use some other name instead.

Q. You say that he telegraphed you to meet him at Omaha to consult about this contract?—A. Yes, sir; that is my recollection.

Q. When was that contract let?—A. Well, I do not remember the date of it.

Q. Look at those notes and see whether it was not let a month earlier than that, [handing papers to witness, who examines them.]—A. These do not show anything about the date that it was let; yes, "May 20," a month before.

Q. Then the truth of the matter is that that contract was let before John Delano wrote you this letter, was it not?—A. Yes; before he wrote that particular letter.

Q. And it is not true that he telegraphed you to meet him at Omaha to talk about this contract?—A. No, sir; I did not say so.

Q. Yes; you did say it.—A. Let me understand you.

Q. You have just said that he telegraphed you to meet him at Omaha to talk about this contract, and now you say that the contract was let before he left Washington as shown by this note and the letter that I have shown you.—A. I do not wish it understood that it was in the telegram that he would meet me to consult about the contract. The telegram was simply to meet me there. It was the other notes that had passed between us that had fixed the matter between us.

Q. What other notes?—A. The short letters.

Q. You have stated that you wrote him hurrying him up to come to the Territory to fix up this contract, and that he replied that his wife was sick on the way and he could not come there in time; now is that true or is it not true?—A. I cannot answer that question without going back.

Q. Yes; you can answer it. It is a plain question. You had already stated that you wrote to Mr. Delano hurrying him up to come out to the Territory, that you wanted to put his name in this contract, and that in reply he told you that his wife was sick, as you expressed it, "on the way," and that he could not get there in time; consequently you were obliged to put the name of some other person in the contract for him.—A. This was probably the third or fourth letter written to me during that month.

Q. Now, I ask you this question, whether or not the contract was let before John Delano left Washington City?—A. It states here that it was let on the 20th of May, but I will explain that that contract was kept open for some two or three weeks, according to my recollection; that it was left blank, so far as the use of his name would be concerned, so that it might be put in if he reached there two or three weeks afterward.

Q. Contractors usually take an oath and file a bond. They are required by law to do that, are they not?—A. Yes.

Q. Did John Delano ever take an oath?—A. No, sir; because his name was not in the contract.

Q. Did you ever require him to file a bond?—A. His name was not in the contract, else he would have been required to take an oath. I have a form of contract with me which I should like to show to the committee.

Q. We do not care about the form, but we want to know whether you did not swear your deputies, and make them take an oath and file a bond.—A. Yes.

Q. You were in the habit, then, of giving contracts to one set of people and compelling another set to take an oath and file a bond?—A. No, sir; I do not remember that in any instance.

Q. Did you not do it in the instance of John Delano?—A. No, sir; he had not any written contract.

Q. If this was an honest transaction, and the contract was really let to John Delano, why were those notes made payable to John L. Merriam?—A. I could not explain now, unless it was by his direction.

Q. Who is John L. Merriam?—A. He is a banker in Saint Paul.

Q. Did he have a contract at that time for surveying?—A. He is a banker in Saint Paul, with whom Delano had a good deal of business, and I was led to believe had to borrow money of him.

Q. You were led to believe that John Delano had to borrow money of Merriam?—A. Of Merriam, occasionally. You must remember that he had been there with Merriam nearly a year previous to this.

Q. Did you think that John Delano owed John L. Merriam money, and that this was the only way Merriam could get it?—A. I do not think I thought anything about it.

Q. Then what do you mean by saying that you were led to believe that Delano owed Merriam money? Did you mean to give that as the reason why you made the notes payable to Merriam?—A. I know of no other reason than his saying that he had business and a good many money transactions with Merriam.

Q. Did not Mr. Delano write you a letter and tell you to insert the name of Mr. Merriam to stand for him?—A. Yes; I see in that letter that he asks that Mr. Merriam's name be used.

Q. And is not that the reason you inserted the name of Merriam, because you were requested to do so—by Delano writing you and requesting to put his name to "stand for my name;" that is, for Delano's name?—A. I wrote that Mr. Delano had requested—

Q. Answer that question, not what you wrote him.—A. I cannot answer that question.

Q. (Question repeated.)—A. That might have been part of my reason.

Q. Was not that your reason?—A. I do not know that it was wholly my reason.

Q. What other reason had you, then?—A. I think that another part of the reason was that he had told me that he had a good many moneyed transactions, and was in arrear—in debt to Mr. Merriam.

Q. Did he tell you that in the letter that he wrote you requesting you to put Merriam's name in the contract?—A. I cannot remember how I obtained the information, but that is the impression in my mind, that he was behindhand in some way with Mr. Merriam.

Q. Now, is not the truth of the matter this, that you put Merriam's name in the notes (as you had put Mr. Hammond's name in the contract) for the purpose of covering up the whole transaction and making it appear that John Delano had no interest in it?—A. I do not believe it was.

Q. You do not believe that was the truth of the matter?—A. No, sir.

Q. Had you not been notified from the Interior Department by John Delano's father in a letter that you received, that you should do nothing that would in any way appear to compromise him?—A. I had not until the fall following.

Q. What fall?—A. The fall of 1874.

Q. Was not this in the fall of 1874?—A. No, sir. This was in May, 1874.

Q. At the time these notes were payable, (they are dated October, 1874, was it in pursuance of this notice which you got from Mr. Delano's father that you should not do anything that would have the appearance of compromising him that you made these notes payable to John L. Merriam?—A. I do not believe it was, sir. I cannot think so, for this reason: that this matter was public in my office from May until the time of giving these notes—that I had set apart some work for Mr. Delano to have surveyed. It was not any secret in my office.

Q. If it was not any secret in your office, where was the necessity, then, of your making these notes payable to Merriam?—A. I do not know of any reason beyond what I have tried to explain.

Q. Do you say that it was not for the purpose of concealing the real transaction?—A. I have never thought it was done to conceal the transaction.

Q. Who in Cheyenne besides yourself and Mr. Stevens and Mr. Merriam and Mr. Hammond know of this transaction?—A. Mr. Merriam was not in Cheyenne.

Q. He was in Saint Paul, then. Who in Saint Paul knew of it?—A. Mr. Hammond and Mr. Stevens and the other chief deputies knew about it.

Q. How many of the chief deputies knew about it?—A. Three or four—half a dozen.

Q. Was it known by anybody else?—A. Well, I was not in the habit of noising over town what was going on in my office.

Q. These other chief deputies who knew of this transaction also shared with Mr. John Delano in the contracts which they had?—A. I have explained that fully.

Q. You said that the other chief deputies knew it—you mean the same deputies that also shared with Delano?—A. Yes.

Q. But you do not know any person outside of those deputies, yourself, and your clerk who knew it, do you?—A. I do not know whether there are or not any other persons knowing it. I had other deputies living at different places. I did not take particular pains to have them know all I was doing in my office.

Q. How much did Mr. John Delano realize out of the contract that was let to Rogers?—A. I do not know the amount that he realized at the time.

Q. Do you know the amount of the contract?—A. I think it was about \$1,800.

Q. Did not Mr. John Delano get \$900?—A. No, sir.

Q. He did not?—A. No, sir.

Q. How much did he get out of the contract let to H. G. Hay?—A. I cannot state the exact amount.

Q. That was the \$2,100 contract, was it not?—A. I could not state the exact amount of the contract. I think that Hay's contract may have amounted to a little over \$2,100; perhaps it was \$2,100.

Q. Did not Mr. John Delano get \$900 out of that contract of Hay's?—A. I do not think he did.

Q. How much did he get?—A. I do not know, because he returned no particular amount about it.

Q. Do you know how much John Delano realized out of the contract given to C. J. Reed?—A. I do not know the exact amount he contributed out of his contract.

Q. Was that not \$900?—A. No, sir.

Q. Was it not somewhere near that?—A. I did not charge my mind with the amounts.

Q. What were John Delano's profits out of John P. Thomas's contract?—A. These deputies returned no particular statement to me of the amount of expenses.

Q. Do you not know that Mr. Delano's profits out of John Thomas's contract were \$800?—A. Mr. Thomas may have set off that much to him.

Q. Did not you send it yourself?—A. To him?

Q. To Mr. Delano?—A. I do not remember doing it.

Q. Did you write this letter [handing letter to witness dated Washington, January 13, 1875] addressed to L. C. Stevens, signed Silas Reed?—A. Yes, sir.

Q. Whom do you mean by "John and others," mentioned there?—A. John Thomas, I suppose.

Q. Very well. Now you say "left last night. I have a letter from him to-day, so I will inclose you his check, on which you will leave \$200 in bank there to meet four checks of \$50 each, in favor of Justum & Park, of Salt Lake City;" and again you say, "the \$600 balance of the check you may send to me here by draft, and I will apply it for John." Do you not find these quotations in that letter?—A. Yes, they are there.

Q. Then John Delano did get \$800, did he not, out of John Thomas's contract?—A. Well, I do not know. I must look into that a little further. [Reads.] That is a check of \$800, I see.

Q. Well, you directed your clerk to deposit \$200 in bank and to send a check for the other \$600, and told him that you would apply it to "John," did you not? Is that not so?—A. That is the reading of it.

Q. Well, I ask you whether it is true, or it is not. I do not ask what the "reading" of it is. You said it was John Thomas's draft. Now I ask you to what John you were to apply it?—A. I suppose that other John there is John Delano. I do not *know* that it is.

Q. There were other drafts besides John Thomas's drafts—that were sent at the same time, I mean.—A. Sent from here?

Q. Yes.—A. In the winter of 1875—yes. They were always receiving drafts along through the winter—all of them.

Q. C. J. Reed is a relative of yours?—A. A nephew of mine.

Q. Were you not told, at the Interior Department, that it would be improper for you to appoint one of your relatives a deputy surveyor?—A. I do not think I was. I know I felt some delicacy on that point for a year or two, and kept him in the office as chief clerk, and he became very restive in that condition; and I conferred with the Commissioner as to his going to the field, and he consented that I put him in the field. As far as I remember, there is no regulation in the Department that restricts a relative so remote as a nephew from being a contractor.

Q. Did you not discuss that question with some of the authorities in the Land-Office, and was it not intimated to you that it would be improper for you to appoint your nephew one of the deputy surveyors?—A. I conversed about it with the Commissioner, and the result of it was that I would be allowed to use my nephew in a contract.

Q. Were you not told, in the winter of 1870-'71, that it would not do at all for you to appoint a blood-relation a deputy surveyor, and were you not told at the same time that a contract had been thrown out in the Territory of Colorado because the surveyor-general had appointed a relative as one of his deputies?—A. A contract had been thrown out—no, I will not say that—I will say that I understood that a contract in Colorado from the surveyor-general to his brother was objected to. I cannot say that it was thrown out.

Q. Were you not told at that time that it would not do for you to appoint a relative as one of your deputies?—A. Not in that large sense.

Q. Well, were you not told it in some sense?—A. No near relative. I was told that there was a regulation against the appointment of very near relatives, such as a brother.

Q. Were you not told that there was a regulation against the appointment of a blood relative?—A. Well, not without qualification, I think.

Q. This was in the winter of 1870-'71, was it not?—A. I cannot say as to that. It might have been.

Q. When did you appoint your nephew a deputy surveyor?—A. I do not know that I can name the year first.

Q. How long after you had this conversation in the Interior Department about the appointment of a blood relative?—A. I cannot say as to that. Very soon after the last conversation. I had two conversations about it.

Q. How long after the last conversation?—A. The first conversation was probably in 1871. I would not let him go to the field. He had asked, and I would not let him go, and on referring to it again here at the Land-Office, I found that I had been, perhaps, too strict about it.

Q. Tell us when this second conversation was?—A. I cannot remember conversation away back so far as that. I cannot remember the year.

Q. Do you know whether it was three years afterward or one year?—A. It was just preceding my giving him a contract—not very long before.

Q. When did you give him the contract?—A. I cannot state that, sir. Out of one hundred contracts running away back for six years, I cannot be supposed here without a note before me to remember distinctly these matters. The contracts are here in the Land-Office, all of them. If I had thought that I should be questioned so closely I could have gone and got memorandums of the dates of all. There are about a hundred in all.

Q. You gave Mr. Fowler a contract, did you not?—A. Yes; he was a partner in a contract.

Q. In whose name was that contract?—A. In his name and another deputy surveyor.

Q. Did the name of Mr. Fowler appear in that contract?—A. That is my recollection, decidedly.

Q. Did he take the oath and file a bond?—A. That is my belief.

Q. Who did the work?—A. He and his partner; he a part of the time, and his partner was at it all the time.

Q. Is Mr. Fowler a surveyor?—A. I think so, sir.

Q. He is the brother-in-law of Mr. Curtis, who at that time was chief clerk of the Land-Office, is he not?—A. I have been told so.

Q. Told so since you have given the contract?—A. No.

Q. Before that?—A. Before that time or at that time. My recollection is that he had been in a contract in Colorado the year previous.

Q. Did Mr. Fowler ever go out in the field upon the land that he was required to survey?—A. That is my understanding of it, sir.

Q. Do you know that he went in the field?—A. I only know from what he or his partner said. They came there to my office and started to the field. His partner said that he went to the field with him and staid some time, and that he let him off when it was necessary to harvest his wheat, and he went down to harvest his wheat, his partner continuing his survey.

Q. Where does Mr. Fowler live?—A. He lives down near Denver.

Q. How long did he stay at Cheyenne when he came there?—A. I cannot say; perhaps a day or two.

Q. He staid a day or two?—A. He was there two or three times.

Q. Where was the land that he surveyed—where does it lie?—A. It lies along the south boundary of Wyoming. It was in fractional townships along the south boundary of Wyoming, extending westward over the mountain and into the Laramie plains.

Q. You employed a young man by the name of Dallas, did you not?—A. No; I did not.

Q. Did you not have a young man, or did not one of the deputies have a young man, by the name of Dallas working for them?—A. One of the deputies took young Dallas to the field as a flagman, I think.

Q. Who is young Dallas?—A. He is a son of Mr. Dallas, the chief of the bureau of surveys. The deputies took a good many young men in with them from different points.

Q. After you had given a contract to Mr. Fahringer for Mr. Fowler, the brother-in-law of Curtis, and Mr. Dallas came out there to work, you had no more difficulty then with the Department about getting your nephew a contract, had you?—A. My nephew had a contract before that occurred; that had nothing to do with it.

Q. There was no fault found about it afterward?—A. There was no fault ever found about it.

Q. Did Orvil Grant have an interest in any of the contracts?—A. I cannot say as to that, sir.

Q. You have no recollection of the fact that Orvil Grant had an interest in any contract let by you?—A. I do not know that he had, now.

Q. Did you give a contract to Mr. Medary for the benefit of Orvil Grant?—A. No, sir.

Q. And you have no knowledge whatever of the fact that Orvil Grant had an interest in any contract?—A. He never had his name in any contract.

Q. I did not ask you that.—A. Well, you do not want me to answer anything that I do not know.

Q. You have no knowledge of the fact that Orvil Grant had an interest in any of these contracts? Do you say that?—A. I think I can say that; that he had none.

Q. Did you write these letters? [handing some letters to witness, who reads them.]—A. Yes, sir; they are written by me.

Q. Now I ask you again did Orvil Grant have an interest in any contract?—A. It is a very difficult question for me to answer without considerable explanation. If I should say

"No," it might not be strictly true, and if I should say "Yes," I should say what I did not know. I gave Medary a good deal of work.

Q. In your letter addressed to your clerk, Mr. Stevens, dated February 7, 1875, written from Washington, you say: "Medary's last draft has gone to Cedar Falls and O. L. G." Do you mean Orvil L. Grant?—A. I suppose so.

Q. [Continues reading:] "seems worried that nothing has come to the source of Medary's large prosperity yet; such is the gratitude of depending only upon honor and no contract to bind it." Please explain what you mean.—A. That occurred last winter.

Q. I do not care when it occurred. I ask you what do you mean by it.—A. I mean by that—from the fact of your mentioning that his initials are there—I met him in Washington at that time, and he was complaining that his brother-in-law had been very niggardly toward him, and had not let him share anything with him in his contracts of surveying.

Q. Who was his brother-in-law?—A. Medary was his brother-in-law. He said he had taken considerable surveying and had never allowed him to have any interest or benefit from it.

Q. Was Medary a surveyor? He was one of your deputies. You gave him a contract. He filed a bond, you say, and took the oath. Now I ask you whether he was a surveyor.—

A. He was a surveyor and had been surveying from the office, under a contract, before I gave him a contract.

Q. Did he do the work of this contract?—A. So far as I know, he did.

Q. Do you not know that he did not do the work?—A. No, sir, I do not.

Q. Do you not know that he did not go out into the field and do the work?—A. No, sir.

Q. Do you know that he did go out into the field and do the work?—A. I have seen him in the field at work on his contract.

Q. How often have you seen him in the field at work on his contract?—A. I have seen him several times on his contracts at work.

Q. How often?—A. I cannot say the number of times I saw him. I saw him when he was on the Laramie plains at work. I saw him when he was out near Fort Rogers, surveying on his contract. His first contract was from my predecessor, Dr. Latham.

Q. Did not Mr. Medary have a compass-man by the name of Corey, who ran all the lines and whose name does not appear in the notes at all?—A. I understood he had a compass-man by the name of Corey.

Q. Did you understand further that he did the work?—A. I do not know whether he ran all the lines or not.

Q. He may have run them all for aught he knew; may he not?—A. He may.

Q. If Corey may have run all the lines so far as you know, what did you see Medary doing when you saw him out in the field at work—looking at Corey?—A. I did not say that I saw him on the ground with his men running the lines.

Q. You simply saw him, then, on the ground?—A. I saw him on the ground.

Q. The work was all done by Corey, was it not?—A. I do not know, sir.

Q. You think it was?—A. I do not say I think so.

Q. You never saw Medary doing any of it?—A. I remember of my objecting to his expending so much for a compass-man, but he said he could not keep up with his men, to keep in the field all the time. He was a man of very short stature and legs, and he could not make the greatest headway through the sage-brush in surveying—keeping along with his men on the lines.

Q. In another portion of this letter you say, "I have this moment parted with O. L. G. I have suggested that he hire a good assistant and go out on his own hook next season; for all his plans seem to have failed this year, and it is not certain that he will receive a dollar from M."—A. I understood that he was a poor man, and I felt an interest in him after he was burned out in Chicago, and, as stated in my letter, it was my desire, probably, at the time, that he should unite himself with an experienced man for deputy, and have some surveying done.

Q. You knew of the fact that Orvil Grant had an interest in Medary's contracts, did you not?—A. No, sir. I did not know it as a fact.

Q. When did you first learn that?—A. I never learned it as a fact—that he had an interest in it.

Q. If you never learned it, what do you mean by your letter when you say, "Medary's last draft has gone to Cedar Falls, and O. L. G. seems worried that nothing has come to the source of M.'s prosperity yet?"—A. I supposed Mr. Medary would be man enough to divide some of the profits with him. He was a single man, and Mr. Grant was not. Mr. Grant was a poor man, as I understood, and he was supporting Mr. Medary's mother at his own (Grant's) house, and I thought that Mr. Medary might share some with him.

Q. When did you first think that—at the time you let the contract to Mr. Medary?—A. I do not know whether I did or not.

Q. Did you ever suggest to Medary that he ought to divide with Orvil Grant?—A. I certainly did not unless it was latterly—about this time, 1875.

Q. You thought that Medary should pay Orvil Grant a part of the profits of the contract because he had been supporting Medary's mother?—A. I thought it would be no more than brotherly and liberal.

Q. You never suggested to Mr. Medary that he should do that, you say?—A. No, sir there was no suggestion made unless it might have been in the last year there, 1875; I may have said something to him.

Q. You said nothing to him, you are very sure, at the time you gave him the contract?—A. I have no recollection of it, sir.

Q. Why did you give Medary a contract at all?—A. Because I found him a deputy on my return after the second appointment.

Q. Who had made him a deputy?—A. Dr. Latham, as I stated.

Q. Your predecessor?—A. Yes.

Q. Had he made him a deputy?—A. Yes; he had. I would not turn him out of the service, and especially after he had surveyed one contract.

Q. What were the profits realized on that contract of Medary?—A. I cannot say, sir.

Q. It was let at a maximum sum, was it not, making \$10 a mile?—A. Yes; all of them were let at the same price. All of our contracts for this year were let at \$10 for section lines.

Q. Could you not get any person to survey for a less sum than \$10 a mile?—A. I think it is very likely I could.

Q. Why did you not do it?—A. Because trusty, good men, honest men, would not survey for less than the customary price, especially in the mining country.

Q. Do you consider that Medary was a trusty, good man to survey?—A. Well, I suppose him a fair average surveyor.

Q. But you do not know whether he ever ran a line in his life, do you?—A. I did not see him running lines.

Q. You do know the fact that he had a compass-man by the name of Corey, who did run the lines?—A. I know that he had Mr. Corey with him in the field for the purpose of assisting him. That is all I know about it.

Q. How many contracts did Norton Grant have?—A. Well, I cannot state the number.

Q. He is a relative of Orvil Grant, is he not?—A. Let me finish my answer if you please. His name went first into a contract in the fall of 1870, after he had spent that summer with my oldest deputy, Edwin James, who had been a deputy surveyor for me in Missouri nearly 30 years previous to that. I placed him with him as a hand to learn the business. He remained in the field from June to September in that capacity, and learned at the same time to survey. The two Downeys were in the field in that same manner as hands, went out with the surveyors to learn, and in September of 1870, my recollection is, that I gave them the contract, together with Grant's name and Downey's name—one of the Downeys, and perhaps both.

Q. Did Grant have any interest in any contract before his name was put in?—A. No, sir, not a dollar.

Q. How was he paid the first summer that he went into the field?—A. Paid by the deputy as a hand.

Q. How much?—A. Forty or fifty dollars a month.

L. C. STEVENS, being duly sworn and examined, testifies as follows:

By the CHAIRMAN:

Question. What is your age?—Answer. Thirty-one.

Q. What is your occupation?—A. I am a real-estate dealer or agent.

Q. At what place?—A. Cheyenne, Wyoming Territory.

Q. How long have you lived in Cheyenne?—A. Between eight and nine years.

Q. Were you at any time employed in the office of Surveyor-General Reed, in that Territory?—A. I was.

Q. When did you enter his office?—A. In the fall of 1870.

Q. In what capacity?—A. As transcribing clerk.

Q. How long did you remain there as transcribing clerk?—A. I remained there as transcribing clerk until the time that Dr. Reed was removed; I think it was in the spring of 1873.

Q. What did you do after Dr. Reed was removed?—A. I continued in the office as chief clerk.

Q. With Dr. Reed's successor?—A. Yes, sir.

Q. How long did Dr. Reed's successor hold the position of surveyor-general of the Territory?—A. I think between four and five months; about that time.

Q. Mr. Reed was then re-appointed, was he?—A. Yes, sir.

Q. Who was his successor?—A. Dr. H. Latham.

Q. Did he resign, do you know, or was he removed?—A. He was removed; that is, suspended under the "tenure of office act," as I understand it.

Q. Have you any knowledge of the manner in which contracts are let, or were let, to deputy surveyors by Dr. Reed?—A. Yes, sir.

Q. Contract No. 61 was let to J. W. Hammond, I believe—two contracts were they not—61 and 62?—A. Yes, sir; Nos. 61 and 62.

Q. Do you know J. W. Hammond?—A. I do, sir.

Q. Do you know whether any other person had an interest in this contract?—A. In those two?

Q. Yes.—A. I do.

Q. Who did have an interest in them?—A. John S. Delano.

Q. Do you know what the extent of his interest was?—A. I know the amount that was taken out of the money that Mr. Hammond received in payment of the work, for Mr. John S. Delano. It was \$1,400.

Q. Do you know whether it was understood, at the time the contract was let to Mr. Hammond, between himself and Dr. Reed, that John S. Delano was to have an interest in that contract?—A. It was.

Q. Who made the bargain with him for Mr. Delano?—A. I spoke to Mr. Hammond in regard to the matter myself first.

Q. Did you speak to him of your own accord or were you requested to do so by anybody?—A. I was requested to do so by Dr. Reed.

Q. What did you say to him?—A. I told Mr. Hammond that there was a chance for him to come into the field. He was not expecting any work. I told him that if he was willing to go into the field, and let Mr. Delano in on profits, he could get work, and asked him if he would be willing to take a contract on such terms. I talked quite a while with him about it and talked freely. He was an intimate friend of mine and I advised him that that was the only show he had to get anything to do, and that he had better do that than be idle; that he would do pretty well out of it himself, anyhow, and he had better do it, and he said he would. I then reported to Dr. Reed that I had seen Mr. Hammond and it was all right. So the contract was let to Mr. Hammond. I had afterward conversations with Mr. Hammond and with Dr. Reed in regard to those contracts, separately, but never with them together. I know, from both of them, that they both understood the arrangement as it was talked up, and that Hammond went into the field on that understanding.

Q. What was Mr. Hammond to receive for his work?—A. That was to be determined by the amount that he made.

Q. What was Mr. Delano's interest, if you remember?—A. He shared equally with Mr. Hammond in the profits.

Q. After deducting the expenses of the survey?—A. After deducting the expenses of the survey. As I understood from conversations with the doctor afterward, Mr. Hammond had owned the outfit, the mules, the compass, and the equipage generally, and also did the work, and for the use of his outfit and for his services he was to receive \$125 a month, which was deducted before the division; so I understood. I had nothing to do in regard to the settlement.

Q. Did you have anything to do with the payment of money to Mr. Delano?—A. I did.

Q. Please to state what you had to do with that.—A. Some time in November, 1874, the draft was received from the Treasury for Mr. Hammond in payment for those contracts. Mr. Hammond was not in town at that time. I received his mail when he was not in town and attended to his business, and I placed these Treasury drafts in the bank to his credit. Mr. Hammond had told me that he had given to Dr. Reed notes; that the doctor had required him to give notes for what was coming to Mr. Delano, and that they were all right. I was acquainted with the arrangement from the beginning. On the 21st of November, 1874, Dr. Reed showed me these notes given by Mr. Hammond. They were notes made on a form of the First National Bank of Cheyenne, and these [producing papers] are exact copies of the notes:

“\$400.00.

“CHEYENNE, October 26, 1874.

“On or before February 1, 1874, we, jointly and severally, promise to pay to John L. Merriam, or bearer, out of the draft of my surveying-contract No. 62, of May 20, 1874, as soon as received, four hundred dollars, at the First National Bank of Cheyenne, for value received, waiving benefit of stay and exemption laws, with interest at two per cent. per month from maturity till paid.

“J. WESLEY HAMMOND.”

“1,000.00.

“WASHINGTON, Oct. 26, 1874.

“On or before February 1, 1874, we, jointly and severally, promise to pay to John L. Merriam, or bearer, out of my survey-contract, No. 72, of May 20, 1874, one thousand dollars, as soon as received, at the First National Bank of Cheyenne, for value received, waiving benefit of stay and exemption laws, with interest at two per cent. from maturity till paid.

“J. WESLEY HAMMOND.”

Dr. Reed showed me those notes, and told me that he did not know what to do. Mr. Hammond was not in town, and he did not know how to collect them; that he wanted the money for Mr. Delano. I told the doctor that I would collect them. He said that he would be very glad if I would, and he gave them to me for that purpose. I took the notes and went down to the First National Bank at once, and handed the notes to Mr. Wild, the cashier. I said, “John, I want you to collect these notes,” and passed them over the

counter. He took them. I then said, "I will pay those notes for Hammond," and I drew a check for \$1,400, which I signed "J. Wesley Hammond, by L. C. Stevens." I was authorized by Mr. Hammond to check against his account at any time. I passed that check over to Mr. Wild. He took it. I said, "Just mark these notes paid." He put the canceling-stamp of the First National Bank on the notes, and handed them back to me. I then took the check for \$1,400, made a deposit-ticket, and deposited it to my private account. I had been instructed by Dr. Reed that there was \$505 of this amount which was to go to Utah to pay Mr. Merriam's mining assessments, and the balance, which was \$895, he wanted to send to Mr. Delano. I then at once drew my check on the First National Bank of Cheyenne for \$895, and asked Mr. Wild to give me a check on New York, to the order of J. S. Delano, for \$895. He drew a check as requested, and passed it to me. I passed him my check in payment of it. There is my check, (the original,) and here is the original draft which he passed to me, [handing papers to chairman.] I bought the draft that way, paying for it with my check; and \$505 I left standing to my credit. I took this draft back to the office. Dr. Reed had a letter written—unsealed it was—addressed to J. S. Delano, San Francisco. The letter was in an envelope with the stamp on, and the envelope all ready to seal. He told me to put in the draft and mail the letter. I folded the draft in the letter, sealed the letter, and deposited it in the post-office. It was directed to John S. Delano, San Francisco, and I put this draft in it.

Q. What did you do with the balance?—A. With that balance of \$505, on the 23d of November, 1874, I purchased other New York exchange to the order of Dr. Silas Reed, which I gave to him, and which closed the transaction between the doctor and myself. Some months afterward, I went into the bank and told an officer of the bank, the book-keeper, that on such a day I bought a draft there of \$895, on New York, and I wanted to know if it had been paid. He looked through the drafts, and had some trouble to find it, but finally found it, and said it had been paid, and handed it to me. I said, "I would like to take this draft." He says, "We have no further use for it; take it; keep it if you want it." I did so.

The check referred to by the witness is as follows,

"First National Bank Cheyenne, 11, 21, 1874. \$895.

"Pay to the order of J. S. Delano, eight hundred and ninety-five dollars

"J. E. WILD, *Cashier*.

"To Fourth National Bank, New York. No. 11870."

This check is indorsed, "J. S. Delano," with the further indorsement:

"Paid Laidlaw & Co., agents of the Bank of California, or order.

"THOMAS BROWN.

"For deposit in the Bank of New York. N. B. A.

"LAIDLAW & CO."

The WITNESS. I believe that is a complete account of that transaction.

Q. Did you at any time send these papers to any person in Washington City; if so, to whom, and when?—A. In the latter part of March, 1875, I sent them to B. H. Bristow.

Q. When did you get them back?—A. In July, 1875.

Q. Where was Dr. Reed in the latter part of March, 1875?—A. In Saint Louis.

Q. Did he communicate with you before his return home?—A. Quite often; I think he went away in the latter part of November, 1874, from Cheyenne to come East.

Q. And did not return until March, 1875?—A. Did not return until May, the latter part of May, or early in June.

Q. What was the communication that you received from him?—A. It was this telegram.

Witness produced telegram, reading as follows:

"WASHINGTON, D. C., April 27, 1875.

"To L. C. STEVENS,

Surveyor-General's Office:

"How did Campbell obtain D.'s letters to me, about surveys?

"SILAS REED."

Q. Whom did you understand him to mean by D.'s?—A. Delano's.

Q. John Delano's letters?—A. John Delano's letters.

Q. What was the next communication you received from him?—A. I never received any other from him. On the 30th April, I left the office. His nephew received a telegram from him. I cannot be positive as to the exact language of it, but I think it was this: "Relieve Stevens and take charge of office until I return."

Q. You then left the office?—A. I then left the office.

Q. Did you know anything about the contract let to Rogers & Lampton?—A. Yes.

Q. Are they surveyors?—A. Yes; deputy surveyors.

Q. Do you know whether Delano had an interest in the contracts let to them?—A. I was told so by Dr. Reed.

Q. What did he tell you?—A. The doctor told me about the amount Mr. Delano was to re-

ceive, and told me the different contracts out of which it was to come. That was one of them.

Q. Please to state what amount the doctor told you that John Delano was to receive out of all the contracts?—A. He told me that he wanted to make up to John Delano, if he could, \$5,000.

Q. Did he tell you how much he was to receive out of each contract?—A. I do not know that he did exactly; he had some talk with me about it, and my recollection is that he said the boys could do the townships for about \$350, which would leave \$250 for Mr. Delano.

Q. \$250 on each township?—A. On each township.

Q. How many townships did Mr. Rogers have?—A. I know the liability of his contract. The contract amounted to \$2,100, which would make $3\frac{1}{2}$ townships. That was fractional work there, which made odd amounts. That was the liability of his contract.

Q. What was the liability of the contract of Mr. Hays?—A. The same.

Q. Was Mr. Reed's the same?—A. \$1,800 his was; that was for three townships.

Q. Mr. Thomas's?—A. The liability of that was \$2,900. It probably embraced some other kind of work—township exterior lines. That was the amount that it was calculated it would be. When the contract was let, it was calculated what the work would come to. They gave a bond for double the amount of liability, and that was the amount of the liability.

Q. Have you any knowledge of the character of the work that has been done by these contractors?—A. I never was on the ground; no, sir. I have seen all the field-notes, however.

Q. Can you form an opinion from the notes as to the character of the work done?—A. Do you refer to this particular work?

Q. Yes; this particular work in all these contracts.—A. Mr. Hammond's work was in the vicinity of Fort Bridger—some smooth work and some timber work.

Q. What could Mr. Hammond's work have been done for? Could it not have been let for the amount that he himself received?—A. It could.

Q. And the amount that was paid to John Delano could have been saved to the Government?—A. Yes, sir.

Q. Is that the case with all the contracts that were let there?—A. Yes, sir; there was a fair remuneration; it was good, profitable work for the deputy, even after giving Mr. Delano his share.

Q. Did Dr. Reed ever exhibit to you a letter which he received from Ex-Secretary Delano in relation to this matter?—A. He did.

Q. Do you know where that letter is now?—A. I do not.

Q. Was it in the possession of Dr. Reed when you saw it?—A. It was. He handed it to me to read. I read it and handed it back to him. I have not seen it since.

Q. About what time was that?—A. That was in October, 1874.

Q. Was it a while before Mr. Delano retired from the Interior Department?—A. Yes; while I was in the office.

Q. It was before sending the draft to John Delano?—A. Yes; a month before.

Q. Can you state the contents of that letter?—A. I can state the sense of the letter correctly. It was a short letter. I read it once.

Q. Just tell the substance, if you can.—A. I would state that before the doctor showed me this letter he spoke to me in regard to it; something like this he says: "I was writing the Secretary not long ago and I mentioned to him that I was doing something for John out here. I got a letter from him this morning, and I want to show it to you; just see how careful he is." He then handed me the letter and I read it. It was an autograph letter of Secretary Delano's, and addressed to Dr. Reed. The first part of it was in regard to some other work, which I did not pay any attention to or charge my mind with. The part to which he directed my attention, and which he had referred to, was like this: "You mention that you are doing something for John; I hope you will be careful not to do anything that will have the appearance of being wrong." That was about all I paid any attention to—all that I noticed particularly.

Q. Do you remember whether there was a clause in the letter thanking the doctor for his kindness to John?—A. To the best of my recollection, there was; it was a complimentary, a pleasant letter.

Q. Did the doctor tell you that he had written to Ex-Secretary Delano, and informed him of what he was doing for John?—A. He did before he showed me the letter. He stated that he had written the Secretary not long before, and had mentioned that he was helping John, and then introduced the subject of the letter and the letter itself.

Q. Where was John at that time?—A. I have no idea. I think he was in California for several weeks previous to the time I sent him the draft, and would have been in California about that time. I think he was there.

Q. Did you ever see John in Cheyenne?—A. I did.

Q. When was he there?—A. He was there some time during the summer of 1874.

Q. How long did he remain?—A. Well, he remained in town some two or three hours.

Q. Is that the only time that he was there, to the best of your recollection?—A. No, sir; he came in there at one time on his way to Denver and staid there from evening until

about midnight, when the train went to Denver. I saw him riding in a carriage with three other gentlemen; they drove up to the sidewalk, and Mr. McCann, who was one of the party, and whom I knew, asked me if there were any letters for Mr. Delano at the office.

Q. He did not come to the office himself?—A. No, sir.

Q. I mean this particular time?—A. No, sir; not this time.

Q. Do you know whether he had ever met or had an interview with any of these deputy surveyors who divided the profits of their contracts with him?—A. Not to my knowledge. To the best of my knowledge and belief—and I had a chance to know—they never saw him or had any communication with him.

Q. And, so far as your knowledge goes, they were permitted to do the surveying by agreeing to divide the profits with Mr. John Delano?—A. That was the case with Mr. Hammond.

Q. And the contract was made by Dr. Reed?—A. It was.

Q. Do you know anything about the contracts that were let to Mr. Orvil Grant outside of what is contained in Dr. Reed's letter that has been read?—A. I know nothing about that except what Dr. Reed has told me.

Q. Please state what he has told you about that contract?—A. Mr. Medary came to the office to work, and was given a contract by Dr. Latham, and was at work in the field when Dr. Reed was re-instated. About the time that Dr. Reed returned Mr. Medary came down to Cheyenne from the field, and when I met him I said, "We have got another surveyor-general; look out for heads." He says, "I do not think this change will affect me at all." I had no further conversation with him, but I know—I learned afterward—that while he was there he made an arrangement with Dr. Reed as to other work that he was to have after he got through the contract on which he was engaged at that time. The doctor told me some time afterward in regard to it, that it was a "mighty sharp trick in Latham" to bring Medary out there; that he had it all arranged to help Mr. Orvil Grant, who was poor, had been burned out in Chicago, and was in debt, and he proposed to Orvil to put him in the field, and that Orvil said that he could not go in the field very well, but if he would put in this young man Medary it would be all right. The doctor said that Latham had found this out in some way or other through another Grant, who was working in the office, and had come out and brought Medary along, and the doctor said that that was a very "shrewd trick" in Dr. Latham to capture Medary in order to get the favor of Orvil. Mr. Medary remained in the employ as deputy there from that time as long as Dr. Reed was connected with the office, and did not get through until some time afterward. He worked there last summer. The doctor told me in the fall of 1873 that Medary was to help Orvil out of some of his debts.

Q. Is Mr. Medary a practical surveyor?—A. No, sir.

Q. Did he go in the field himself and remain there, do you know?—A. Yes; he remained out there most of the time, out in that vicinity.

Q. Did you ever know Orvil Grant to do any surveying in that Territory?—A. No, sir; I do not think he was ever in the Territory.

Q. Proceed to state anything else that you know in reference to those matters.—A. In the fall of 1873, in talking about Orvil's matters, and as to what Medary would do for him, Dr. Reed mentioned that Medary was spending his money pretty fast, and he was afraid there would be nothing left for Orvil. When the doctor came back and Medary was going into the field in the spring to work, I asked the doctor in regard to Orvil's matters, and whether Medary had helped Orvil out as he had promised, and the doctor said that was fixed up all right. That was in spring of 1874. Mr. Medary came back in the spring of 1874, and was there during the surveying season, and had contracts all the time to large amounts. When his contracts had been given him, Dr. Reed asked me one day what I thought Medary ought to make out of that work, and I answered him that I did not see how he could make less than \$5,000 however he managed. He says, "That is just what I thought, and just what I told Mr. Grant. I told Mr. Grant that that ought to be the basis, and that if Medary did not report that much profit, he had not done it right and had not managed his work right." I do not think I had any more conversation with Dr. Reed that I recollect in regard to Orvil until the winter of 1875. He mentioned the matter to me in several letters, two that I have here, and one or two that I have not got, though I recollect about what he said.

Q. Are those letters missing or lost?—A. I could not find them among my papers.

Q. Did you look for them?—A. I did. They did not say anything particularly, but they referred to the matter.

Q. Do you remember what he said in those letters in relation to Mr. Grant's interest?—A. Yes; Dr. Reed did not like Medary at all, and did not like to have him about, and complained a good deal about Medary, and the way he acted.

Q. Toward Grant?—A. No; acted in the Territory, and he said that Mr. Grant ought to get somebody else; that he could get a man who would make more money for him, and who would be pleasanter to have about. I know in one of his letters he referred to the fact that he had stopped somewhere in New Jersey where Orvil Grant lived, and had some talk with him about putting in a new man in place of Medary, and that he thought (or that probably) Mr. Grant would consent to it.

Q. Is that all, so far as Mr. Grant's interest was concerned?—A. I think that is all I know.

Q. Were there no other persons that you know of who had interests in contracts, and whose names did not appear in the papers?—A. Yes, sir.

Q. Please state whom.—A. One H. H. Houghton; I think that is the name; I never thought of it until you asked me the question—have not thought of it for years.

Q. Who was he?—A. He was some friend of Dr. Reed's.

Q. Do you know where he lived?—A. He publishes a newspaper somewhere in Illinois, I think; I do not know but it is Galena—the Galena Advertiser, I think.

Q. Did you ever see Mr. Houghton in the Territory?—A. No, sir.

Q. In whose name was the contract made out in which he had an interest?—A. James & Rogers.

Q. Were they surveyors?—A. Yes.

Q. Do you know what the amount of the contract was?—A. I do not. I know the amount that Houghton was to receive—\$600.

Q. Do you know whether he did receive it?—A. I do not know that he received it; but I know that the transaction was completed and the money paid. The boys told me they paid it.

Q. Do you derive your information from the deputies?—A. Some of it, and some from the doctor.

Q. What did the doctor tell you about it?—A. Well, the doctor told me that he had intended to help Mr. Houghton, who was his old friend, and had offered him some work, but that he could not come out there to work, and so he was going to let some of the deputies, for they would make up to him about that amount which he could make on a small contract.

Q. Do you know of any other persons who had an interest in a contract, and whose names did not appear in the papers?—A. I was told that Norton Grant had an interest in the Downey contracts before his name appeared.

Q. Who told you that?—A. I was told that by C. J. Reed, chief clerk in 1870. The reason that Mr. Grant's name did not appear, as I recollect, was that he was not of age, and therefore not competent to enter into a contract.

Q. Do you know of any other person whose name did appear in contracts, and who did not do any of the work?—A. James M. Fowler was one person of that kind.

Q. Who is James M. Fowler?—A. He is a farmer and postmaster at some little town near Denver, the name of which I cannot think of at present.

Q. Did you ever see him in the Territory?—A. Yes.

Q. How long did he remain there when he came there—long enough to do the work?—A. No, sir; he remained there a day or two—at the time the contract was made.

Q. Who did the work?—A. Mr. Fahringer.

Q. Do you know the liability of that contract?—A. I can give it to you. [Referring to a memorandum.] It was contract No. 68, to Fowler & Fahringer; liability \$4,000.

Q. Do you know the amount that Mr. Fowler realized from it?—A. I was told by Mr. Fahringer what he paid him—\$1,400.

Q. Do you know of any other persons who had an interest in a contract and who did none of the work?—A. I do not think of any other just now.

Q. If there is anything else that you desire to state to the committee, I wish you would state it. You have sworn to tell the whole truth about this matter. The committee does not know what you know, and therefore we cannot ask you specifically everything that we ought to know in relation to this matter.—A. I would state, with reference to Mr. Medary, that he did very little of his work himself, if any. He had a compass-man hired, who ran the lines, and was surveyor in fact. The compass-man did all of the work, and wrote up the notes, which Mr. Medary swore to and turned in. Medary paid him \$100 a month.

Q. Do you know whether Mr. Medary understood the business of surveying or not? Was he a practical surveyor?—A. No, sir.

Q. He was not a practical surveyor?—A. No, sir. I do not know that he ever heard of surveying until he came to the Territory and took a contract.

By Mr. BOONE:

Q. I understand you to say that you had seen a letter from Secretary Delano to Dr. Reed?—A. I did; yes, sir.

Q. Do you remember about the date of it?—A. It was in October, 1874. I do not recollect the exact date.

Q. Did that letter acknowledge any services that had been performed by Dr. Reed for John Delano? Was it extending thanks to him for his kindness to John?—A. That was the sense of it.

Q. Was it in reply to a letter that had been written by Dr. Reed, did you understand?—A. Yes, sir. The doctor told me that he had written such a letter.

Q. Did the letter indicate that the Secretary had knowledge of the fact that John had an interest in these contracts?—A. It did not refer to any contracts at all.

Q. Was there anything in the letter forbidding the letting of any contract in which John was interested, or cautioning Dr. Reed upon that subject?—A. The language was about like this: "I hope you will not do anything that will have the appearance of being wrong." It is cautionary, if you interpret it in that way.

Q. There was no order to him, however, not to allow John to have an interest in any of those contracts?—A. No, sir.

Q. Were any contracts let after that in which John was interested?—A. No, sir. The contracts had all been let in the spring and summer. The money had been collected on them then.

Q. Are you pretty certain about your recollection of the contents of that letter?—A. I am.

Q. State to the committee whether or not it was the custom of Dr. Reed to let contracts to parties who were not practical surveyors, upon the idea that they would get practical surveyors to assist them?—A. No, sir; he would let them to persons of that kind, and let them go ahead the best they could.

Q. Not practical surveyors?—A. No, sir.

Q. Did he not let contracts to men who were not surveyors?—A. He did; all they knew about surveying was what they learned there in the field, working for the Government. It was not so in every case, of course.

Q. I do not mean in every case; I mean the general rule. In other words, he did not confine himself to surveyors when he let contracts.—A. No, sir.

Q. John Delano was not a surveyor, was he?—A. No, sir.

Q. Did he ever go into the field and do any particular work?—A. No; not at all, sir.

Q. Did he ever accompany any person to the field, so far as you know, such as the surveyors who did the work?—A. He did not.

Q. Did he ever execute a bond in the office?—A. He did not.

Q. Did he ever take an oath as surveyor or deputy surveyor?—A. No, sir.

By Mr. WOODWORTH:

Q. Where were you when that letter was exhibited to you from Secretary Delano to Dr. Reed?—A. In Dr. Reed's office.

Q. Were you then his chief clerk?—A. I was.

Q. What was the other business that he wrote about, aside from the matter you have detailed—do you remember?—A. I do not recollect exactly; I could not state with any certainty.

Q. But you remember this other part of it?—A. Yes.

Q. You do not remember what the business part was?—A. I do not; something I had no interest in.

Q. Something connected with the business of the land-office?—A. No, sir; it was a private letter, a personal letter.

Q. Was there anything said in that letter with regard to the health of John Delano; any inquiry made in regard to it, or anything said in regard to it?—A. Not that I recollect.

Q. You had seen John Delano prior to that time, had you not? He had been in the Territory prior to that time, as you have already said?—A. Yes.

Q. You knew he was a man out of health—consumptive?—A. I had been told so.

Q. Did you not know that John Delano had been brought there on account of his health, and was traveling at that time on account of his health, and that Dr. Reed felt a good deal of solicitude for his health; and did you not know, further, that that was the matter referred to in that letter, and not any contracts?—A. No, sir; I did not.

Q. Was there anything said about contracts in that letter?—A. Nothing at all.

Q. Do you want to leave the impression upon the minds of this committee that that letter had reference to contracts that John Delano was having from Dr. Reed?—A. I do.

Q. Why do you wish to leave that impression?—A. Because of the conversation with which the doctor led up to this letter.

Q. Not from anything in the letter, but from the conversation. What was that conversation?—A. He said that he had written to the Secretary a short time before.

Q. What did he say he had written about?—A. A letter in which he had mentioned that he was doing something for John.

Q. Did he say what he was doing for John?—A. No, sir; I did not know of anything else he was doing except helping him to share these contracts; that was what I supposed the doctor was talking about.

Q. You did not know anything about the matter of John's being sick, and the doctor being his adviser in his going out West for the purposes of his health, did you?—A. No, sir.

Q. He did not say anything about that?—A. No, sir.

Q. What else was said?—A. He then said, "I will show you the letter. See how very careful the Secretary is;" then, also, the language of the letter: "I hope you will not do anything that will have the appearance of being wrong." That would not lead me to suppose that it was solicitude for his health.

Q. Instead of saying, "How very careful the Secretary is," did he not say, "How very careful the Secretary is of his son's health?" Was not that the language used?—A. No, sir.

Q. Or how very solicitous he is of his son?—A. No, sir.

Q. Do you pretend to give us the exact language of that letter at that time—the words of a letter written in October, 1873?—A. Yes; I do not pretend that I can give you every word, but that was the exact sense.

Q. And you are ready to swear that he did not use that language that I mentioned, as to "how careful he is of the health of his son?"—A. I am; I am quite positive of that.

Q. You can remember that, distinctly, over this lapse of time, but cannot remember what was in the other part of the letter, nor what it was about?—A. Because my attention was not directed to it; I did not pay any attention to it; my attention was directed to the other.

Q. How long have you lived in Cheyenne?—A. I have lived there, with the exception of about five months, since December, 1867.

Q. Were you not engaged there before you went into the surveyor-general's office?—A. I was, clerking.

Q. Clerking for whom?—A. At the time I went into Dr. Reed's office, I was clerking for J. R. Martin.

Q. In what business was he engaged?—A. He was engaged in the liquor and cigar business.

Q. Wholesale or retail?—A. Both.

Q. In other words you were "tending bar;" that was the amount of it?—A. That was part of my business; yes, sir.

Q. Who was Dr. Reed's predecessor?—A. Dr. Latham, this last time.

Q. I mean the first predecessor?—A. Dr. Reed was the first incumbent; he came there and organized the office in 1870.

Q. You continued until what time? When were you finally discharged from office?—A. was relieved on the 30th April, 1875. I had already resigned; my resignation had been accepted by Dr. Reed. He was not at home.

Q. Why had you resigned?—A. To go into other business. I had made arrangements for opening a real-estate and collection office.

Q. You spoke of your going into the bank and getting this draft that you have exhibited to the committee from the cashier of the bank; was that before or after your resignation?—A. That was after.

Q. At whose instance did you do this?—A. My own.

Q. For what purpose?—A. I went in to see if the draft had been paid, and I got possession of it, so as to be able to say that Mr. Delano received that particular sum of money.

Q. Why should you want to do that?—A. Because I had determined to make an *exposé* of the whole matter.

Q. To whom?—A. To the administration.

Q. Did you do it?—A. I tried to.

Q. When?—A. Some time in the month of March—the latter part of March, 1875, I sent the papers to Washington.

Q. To whom did you send them?—A. To Secretary B. H. Bristow.

Q. Did you communicate to any person in Cheyenne before that time what you have communicated to the committee with regard to John Delano's connection with these contracts and drafts?—A. I did.

Q. To whom?—A. I told it to Mr. Corlett, my partner, and I told it to Governor Campbell, who was governor of the Territory at the time; it was about the time when he left the Territory, I believe; and I told it to Major Wolcott.

Q. Your feeling is not very kind at this time toward Dr. Reed, is it, Mr. Stevens?—A. No, sir.

Q. You have spoken of contracts being let to parties who were not surveyors, and have spoken, I think, of this Mr. Medary as being a person not a surveyor; are you acquainted with him?—A. Yes; quite well.

Q. You know that he is not a surveyor, do you?—A. Well, I know that he is not a practical surveyor, not a competent surveyor; he is a deputy surveyor.

Q. Does he understand the art of surveying? In other words, would he be able to run the lines and do the work, if required to do it?—A. It is a matter of opinion; I was not in the field with him myself.

Q. This man, H. H. Houghton, who was he? Do you know him?—A. Only as I have stated here.

Q. Do you know whether he was a practical surveyor or not?—A. No.

Q. You do not know anything about that?—A. No.

Q. What do you know about Rogers; was he a practical surveyor?—A. Yes; he has been there in the office since 1870; learned his business right there.

By Mr. BOONE:

Q. Who is Norton Grant?—A. He is a distant relative of President Grant. I do not know how distant—a second cousin.

Q. Who is Orvil Grant?—A. He is the brother of President Grant, as I understand.

By Mr. WOODWORTH:

Q. I understand Mr. Medary's first contract was under Mr. Latham?—A. It was.

By the CHAIRMAN:

Q. Did you ever write a letter to President Grant in connection with these matters?—A. I did.

Q. Please tell us what that was—what you complained of in that letter.—A. I will state that shortly after I left the office, (I left on the 30th of April,) there came into my possession a Treasury draft for \$90, drawn to the order of Walter Brown. The money was not intended for Walter Brown, but intended for a person who was working in the office and was being paid as a clerk in the office. I took that draft when it came into my possession, (that was after I had sent these papers to Washington,) and made a sworn statement respecting it and forwarded it here.

Q. To whom?—A. I forwarded it to Governor Campbell, and he wrote me that he had received it, and handed it to the President. That is all that I knew about it. I supposed it was in the President's hands. When Dr. Reed came back to Wyoming in the summer of 1875, after he had been there some time, he came to me one day and asked me in regard to this draft, what had become of it. I told him I had returned it to the Treasury Department. He did not have much conversation with me, but he then went and saw the young man, Walter Brown, to whom the draft was made payable, and had some conversation with Mr. Brown in regard to this matter, which conversation Mr. Brown came and repeated to me. I have it here in Mr. Brown's writing. If it would be of any interest to the committee in this connection I will read it.

Q. Produce it. Do you know it to be Mr. Brown's handwriting?—A. Yes, sir; he wrote it at my request and gave it to me at the time.

It reads:

“CHEYENNE, WYO., September 1, 1875.

“The following is a statement made to me in Pease & Taylor's office, August 26, 1875, by Dr. Silas Reed:

“He commenced by telling me about his hiring Mr. Leverett C. Stevens as clerk in his office, at \$100 per month, salary, and, finding him to be a good clerk, made him a proposition to sweep and dust out the office, and he would allow Mr. Stevens \$30 a month, the amount that would have to be paid if he hired some one else to do it, which he said Mr. Stevens agreed to. After awhile Mr. Blackstone needed a little help, and so Mr. B. was allowed the \$30 extra money. Then Mr. Parshall, and, finally, the young man who takes care of the office now. Reed said then that he wished to tell me a few facts, as he knew I was a friend of Mr. Stevens. He told me then that some parties here had got up a plot to have him removed from office, and had succeeded in getting Mr. Stevens to help them. He said that the President showed him some papers while he was in Washington, and he asked him where he got them, but the President didn't want to mention any names, but remembered that Mr. Stevens had sent them on to Governor Campbell. Reed said that one of the papers was a draft drawn on the Fourth National Bank of New York City in favor of Delano, which he had Mr. Stevens mail at Cheyenne, and it went by the way of San Francisco, Cal., to New York, and then it should come back with other papers to the First National Bank of this place, but he looked over the drafts here and it was gone. Some one had stolen it out of the bank, and he said Stevens was the only one that could have done it. He said he explained it to the President, why he had used the appropriation money, and he (the President) said that if Reed wanted to give the money in that way to Delano he had a perfect right to do so. He also had a draft drawn in favor of myself for work done in the surveyor's office, which he explained to the President, and the President said it was all right. He also said that the Government would not allow this young man (before mentioned) to be beat out of his money, and that the said draft drawn in favor of myself would be returned, and he didn't want me to sign it or to do anything with it but to hand it to him. Reed also said that it was damned ungrateful in Stevens to betray him so. He said much more about the matter that I can't remember now, but I can swear that the above statement is just what he told me. Reed also said that he did not know even that I had been in the habit of signing the vouchers, for he didn't take any notice of them; said Stevens made them out and he just signed them without reading them at all.

“W. C. BROWN.”

Mr. Brown came to me and repeated this conversation. About that time Burdett, Commissioner of the General Land-Office, was in Cheyenne. Right after Mr. Burdett went away Mr. Brown came to me and said he had been told by Mr. Hay, who had been a deputy in Dr. Reed's office, that they were going to send out for that draft; that they would send a letter and would request the return of it, and asked me what he had better do, and I told him not to sign it if such a request did come. I told him that I did not believe any such a request would come, but if it did, I said, “Don't you sign it.” He came to me a few days afterward and said they had brought him—(Mr. Hay, who was a personal friend of his whom he did not like to disoblige, had brought him) this request and he did not like to refuse to sign it, but before getting this request signed he had showed him a letter from the Commissioner of the Land-Office stating that if Walter Brown requested the return of that draft it should be returned to him.

Q. You say that money was intended for some other person?—A. Yes.

Q. And not for Walter Brown?—A. Not for him.

Q. Who was the other person?—A. Mason G. Day.

Q. In what capacity was he engaged in the office?—A. He was drawing pay as clerk and also doing the janitor work, for which this money was intended. As soon as Brown told me that he had signed this, I saw at once that Dr. Reed was determined to get possession of that draft. The last I knew of the draft it was in the President's hands. I immediately sat down and addressed a personal letter to the President which I signed and sent to him. I never received any reply to it; I do not know anything about the result of it, but in that letter, which was a long letter, (I have a copy of it here but it would not interest you,) I protested against that draft being returned to Reed or to anybody, without investigation.

Q. Was Walter Brown employed in the office at all?—A. No, sir.

Q. Had he any connection with the office?—A. Not the least.

The CHAIRMAN here inquired of Dr. Reed if he desired to ask the witness any questions by way of cross-examination.

Dr. REED. I have a number of questions to ask, and I ask the privilege of the committee that I may have the opportunity now.

The CHAIRMAN. We will grant it, sir.

Cross-examination:

By Dr. REED:

Q. You spoke of this draft in the name of Walter Brown, and you brought Mr. Brown's statement here to show that I spoke to him about it, and in which he says that I said I had explained about that particular draft to the President. I did not see the President after the 29th of April; upon what day did you receive that draft?—A. I received that draft in the early part of May.

Q. How did the name of Mr. Brown come to be used in that draft?—A. Because the account was audited to him; his name was used and he signed the voucher.

Q. Who prepared the account?—A. I did.

Q. Was that the first account that you had prepared in Mr. Brown's name for that particular purpose, of janitor?—A. It was not.

Q. How long had his name been used to cover that small amount of janitor-salary?—A. I think for a matter of two years; perhaps more.

Q. Let me ask you if you did not use his name in 1870?—A. No, sir.

Q. Late in 1870, was it not used to cover your services in that very capacity?—A. No, sir.

Q. You will swear to that?—A. I will.

Q. Will you swear that his name was not put in, then, very early in 1871 for such a purpose—to cover your service as janitor?—A. It never was put in to cover mine at all. I swear positively to that.

Q. When was the first time his name was used to cover the janitor's account?—A. Well, it was used as soon as it became necessary to have an account. There was a long time in which it went into an incidental account.

Q. It is an incidental account all the time, is it not?—A. Allow me to explain. An incidental account audited in your own name by which the draft was drawn in your favor, and you drew the money, and then paid this janitor's bill. It was done in that way for a long time; but after some time the Department objected to so large an account as \$90 a quarter going in in that way, and said that this janitor must sign his own vouchers and draw his own draft, and I think we used Mr. Brown's name always after that, and probably his name had been used before in your account as the name of the janitor.

Q. And who was the janitor in my office in the fall of 1870 when you first became clerk?—A. I was.

Q. When you first became clerk?—A. I am not sure in regard to that. I think it was Charles J. Reed.

Q. Was the janitor not a colored man when you first came into the office?—A. I have no recollection of any colored man when I first came there.

Q. Whoever was janitor, did you not object to him as not being faithful in putting the office in good order each morning?—A. I think very possibly I may have. I do not recollect in regard to that.

Q. When I asked you whom we should select to do that duty better, did you not reply that you would do it yourself?—A. I do not recollect in regard to any statements about doing it better; but I recollect that I either asked you or at my suggestion it was asked of you that you let me do it.

Q. Did you not perform that duty in addition to your acting as transcribing clerk for some time?—A. Some four or five months.

Q. Not until your salary was raised—the next May or June, say?—A. No, sir; I performed it until the boys came in from the field, and then either George Thomas or Lewis Lampton did it during the winter; I do not recollect which.

Q. Your name was used in that account, was it not—the account of the services of the janitor?—A. No, sir.

Q. You made out the account, then?—A. I think I did all of that.

Q. What name was used, then, if yours was not?—A. I do not recollect whether it was a fictitious name; but I think it was.

Q. You were in the habit of keeping my accounts at that time in the office, were you not?—A. I made the accounts out always after I had been in there a few weeks.

Q. What was paid the janitor for services?

WITNESS. When I first took it?

Dr. REED. Yes, and all the time along.

A. When I first took it you paid me \$12.50 a month, and when the boys came in from the field—George Thomas and Fred Reed—you paid them \$30 a month.

Q. Was it not my universal custom to pay \$30 a month for the winter-time and spring-time when they had to make fires?—A. They did the work in the winter. The custom had just commenced.

Q. Was not that the amount paid during all my time there for years, \$30 a month for the winter?—A. Not at the first part of it.

Q. Not the first winter?—A. The first winter; but I went into the office in September, and did that work at \$12.50 a month until Fred Reed and George Thomas got in from the field.

Q. What time was that?—A. That must have been in November or December.

Q. And do you say that that was all the period that you acted as janitor there?—A. No, sir; the next summer after they had gone out in the field. I did the work again at \$20 a month during the summer.

Q. Was not \$20 a month my usual custom of payment for the summer months for the janitor's services?—A. At that time.

Q. Was it not all the time up to the last?—A. No, sir; the last of the time it was \$30 a month.

Q. In the summer?—A. Yes, sir.

Q. You are sure of that?—A. After you came back—after you had relieved Dr. Latham, you cut Mr. Parshall's salary down from \$1,400 to \$1,200, and to help him out then you let him do the janitor's work at \$30 a month.

Q. Was that at your suggestion?—A. Very likely.

Q. Do you not know it was?—A. Yes, sir; it was.

Q. In whose name did you make the account out for the janitor's work while Mr. Parshall was receiving the benefit of it?—A. Walter Brown's.

Q. Who paid Mr. Parshall the money?—A. I did.

Q. How did you get it?—A. Out of the proceeds of the draft that came for this amount.

Q. Whom did the draft come to?—A. Walter Brown.

Q. Who made the arrangements with Mr. Walter Brown, to let his name stand for the use of the janitor?—A. I am not sure whether it was myself or Mr. Blackstone; I think Walter Brown's name was first used for Mr. Blackstone's benefit.

Q. And you made the accounts out at that time?—A. All the time.

Q. Do you believe that Mr. Blackstone knew him well enough to ask him to do that?—A. Yes, sir; he boarded with him.

Q. Do you not know that you selected him for the use of Mr. Blackstone after you quit using that?—A. I am not positive about that; it was either Mr. Blackstone or myself.

Q. You and Mr. Blackstone and Mr. Parshall had done the services of the janitor and received pay for them at different periods during three or four years?—A. We had.

Q. This last man that performed the service, his name was what?—A. Day.

Q. When did his time commence?—A. It must have been in the fall of 1874; I cannot say what month.

Q. Was it not late in November, 1874, that his time as janitor commenced?—A. I think it was; I think it was as late as November.

Q. Who was janitor immediately preceding him?—A. Mr. Parshall.

Q. When that account was made out at the end of the quarter on the 31st of December, whose name was it made in?—A. Walter Brown.

Q. Did Mr. Parshall and Mr. Day get pay for that quarter?—A. They did.

Q. How did they get it?—A. I paid it to them.

Q. Where did you get it?—A. From the proceeds of that draft.

Q. Did the draft come to you?—A. No, sir; to Walter Brown.

Q. And you obtained the draft of Walter Brown?—A. Yes, sir.

Q. And you paid the proceeds of that draft to whom?—A. Mr. Parshall and Mason.

Q. During the next quarter ending March 31, 1875, this draft that you have been speaking of was for janitor services?—A. Yes, sir.

Q. And it was for services rendered by Mason Day?—A. Yes, sir.

Q. That draft came to Cheyenne in May?—A. It did.

Q. In the name of Walter Brown?—A. Yes, sir.

Q. Did you obtain possession of the draft?—A. I did.

Q. Why did you not let it go to the office?—A. Mr. Brown brought it to me, and I, at that time, had no connection with the office. I did not consider the draft a proper draft, I did not consider it audited for the proper account, and I did not consider that it was right for me to pass it over.

Q. Did you not understand that that draft was to pay for the services of Mason Day as janitor?—A. I did.

Q. Have you considered those drafts coming to Walter Brown for yourself to pay for the janitor services as not right?—A. No, sir; that is, they were in violation of law, but they were—

Q. [Interrupting.] Are you positive of that?—A. I do not know that I could quote the law, but my understanding of the law is that no person shall receive pay for performing two different kinds of service during the same period of time.

Q. Have you not been told that that was a mere matter of regulation?—A. No, sir; I did not suppose so.

Q. Have you not been told over and over again, by me, that that was a matter of regulation?—A. I do not recollect of your ever telling me so.

Q. Then why did you not make your account out in your own name in 1870, when you had done those services?—A. Because I understood from you that that would not do.

Q. That that would be contradictory to the regulation?—A. Yes.

Q. And you knew all the time it was contrary to the regulations?—A. I knew that if an account was made out in favor of a man for clerk's services for a certain period of time, and another account for the same period of time for janitor's services, one of them would not be paid.

Q. You felt positive of that?—A. I did.

Q. And yet you received pay for it?—A. I received pay for it.

Q. For all the time you did it?—A. Yes.

Q. Do you know why you and these other men were permitted to do that work and receive the janitor's fees at that low rate?—A. I think it was at our request; it was to earn a little more money.

Q. It was all while you had low salaries, was it not—salaries thought too low for the services rendered?—A. Mine was.

Q. Was it not so with Mr. Parshall?—A. Yes, sir; with Mr. Parshall, for his salary was reduced. I think not the case with Mr. Blackstone. I think Mr. Blackstone got one salary all the time he was in the office, and has one now.

Q. Mr. Blackstone had just been to Pittsburgh and married at the time he got it, and was put under great extra expense, had he not?—A. Yes, sir.

Q. Are you positive that you did not ask me to let Mr. Blackstone have that pay as janitor and do the work?—A. I am not positive that I did not; I should think very likely I did, because I generally interceded with you in all those matters.

Q. Now, if you had been clerk in the surveyor-general's office on the 3d day of May, the time I understand that draft reached there, do not you believe that you would have taken it from Mr. Brown and paid the janitor?—A. I should have done so, most certainly.

Q. Do you think that you had a perfect right to handle that draft, and send it to the President, as you say you did, or to Mr. Campbell?—A. I conceive that I had.

Q. Do you know where the draft is now?—A. I do not; never heard from it since.

Q. Do you remember what salary janitors were generally paid in other surveyor's offices?—A. I think about \$600 a year, as a general thing.

Q. That would be \$50 a month?—A. Yes.

Q. These janitor services were paid out of the incidental appropriation?—A. Yes, sir.

Q. How much of the incidental appropriation remained unconsumed by me generally each 30th of June?—A. I think about one-half.

Q. Did not you understand from me that I would permit these clerks with low salaries to do that work and take the pay for it, in order not only to help them slightly but to save the Government from paying a larger sum to a janitor employed wholly for that purpose?—A. I think you expressed yourself that way, perhaps, a number of times.

Q. Do you not know that there was the largest economy used in the office in respect to incidental expenses?—A. There was.

Q. Did you say that you knew where this draft was now, that you have been speaking of?—A. I did not.

Q. Have you no idea where it is?—A. Not the slightest; except that I have an idea that it went into the hands of the President. I asked Mr. Brown the day or the day before I started for Washington (which was, I think, last Saturday a week ago) if he had got that draft back, or if that draft had come back; and he said not that he knew of; that he had not seen anything of it.

Q. Do you know whether it has been paid or not?—A. I do not; I know that it has not been paid unless the indorsement is forged.

Q. Do you feel that it was just to deprive that young man of pay for his services for three months that cold winter, in making fires?—A. He was paid more than he earned.

Q. How much was he paid?—A. He was paid fifty dollars a month for clerk-hire during that time.

Q. Did you not in the month of November or December propose that very arrangement for that young man?—A. I did.

Q. You have stated you did not know whether that draft was paid or not, yet?—A. I say it has not been paid unless the indorsement has been forged, because the payee told me

Saturday that he had not seen it, and he promised me he would not indorse it under any circumstances. I wish to state, so that the committee can understand the full situation, in connection with my making this arrangement for this young man, that this young man was a nephew of Dr. Reed's; (he could not remember his name a moment ago, though he is his nephew.) He is a young man that Dr. Reed wanted to bring out there to take care of. I suggested to Dr. Reed how he could take care of him. We had to board some of them there in the office every winter, and I devised generally the expedients as to how they should be provided for, and as we did not have money enough to pay him as much as the doctor wanted to pay him out of the clerk-hire, and as the doctor was also very saving in his incidentals, and letting a great deal of it revert, I suggested this arrangement by which this young man could get pay as a clerk, and also draw this janitor's pay, which would make it eighty dollars a month for him.

Q. Do you remember how much of that incidental appropriation of \$2,500 was consumed at the end of the third quarter, when you went out?—A. I do not.

Q. You were a clerk in closing it up that quarter?—A. Yes, sir; but I do not recollect the amount.

Q. What do you say was about the amount?—A. I could not state; it is a matter of record.

Q. You said you had a letter from me accepting your resignation?—A. I did; I have it here.

Dr. REED. Let me see it.

The witness produced a letter, and states: "I will remark that my resignation was dated the 22d of February, 1875. I sent it to Dr. Reed, and with it I sent a letter, in which I told him that I had not said anything to anybody about my resigning. He wrote back on the 26th, a letter in which he acknowledged the receipt of the resignation, and requested if I had not said anything about it, not to do so; so I never made it public at all. It was not known there that I had resigned only to a few persons; a few of my friends and my family and the doctor."

Dr. REED. That is no acceptance of your resignation by me.

The WITNESS. Well, the committee can judge of that.

Q. Do you know of your own knowledge that Fowler, a partner of Fahringer in a contract, did not go to the field and survey?—A. Mr. Fowler was in the field for, I think, as much as two weeks while they were surveying the townships east, not to survey, but as a sort of a helper about the camp. He then went back home, and Mr. Fahringer finished up the contract.

Q. Did not Fowler come back a second time to my office?—A. I think he was at the office two or three times.

Q. Do not you know that after they surveyed that fractional township southeast, they came into town and started out southwest to the boundary, ten or twelve miles, and that Fahringer and Fowler both went out together to begin that work there?—A. They went out into the field together; I know that, because I went down to Mr. Blackstone's to take Mr. Dallas down to Ilett's ranch. There I met both Mr. Fahringer and Mr. Fowler, who took young Mr. Dallas back to their camp. I know that Mr. Fowler was along there with the party.

Q. I think you have stated that Mr. Fowler did not go into the field to survey at all?—A. I stated that he did not go into the field to survey; but I had stated in my direct examination what I know of this matter as being what Mr. Fahringer told me. I do not know anything else about it.

Q. When did Mr. Fahringer tell you that?—A. When he came up to the office and turned in his notes.

Q. That was what time?—A. That was in the winter of 1874-'75.

Q. You knew nothing about his being in the field, except what Fahringer told you, did you?—A. I do not know of any other means of information I had. I do not think of any.

Q. That was late in the fall of 1874, was it not, that Fahringer came in and finished his contract?—A. After he had finished his work he came to the office, some time after, and turned in his notes.

Q. Late in the fall of 1874?—A. It must have been in the winter, I think.

Q. The winter of 1874-'75?—A. Yes.

Q. That was the time he told you that Mr. Fowler had not been with him a great deal?—A. He told me that Mr. Fowler had not put in a dollar or done any work, and that he was giving him \$1,400.

Q. But they were both named in the contract?—A. They were.

Q. Are you positive he said he gave him \$1,400?—A. Yes.

Q. You feel certain about that?—A. Positive.

Q. I believe you said Fowler was not a practical surveyor?—A. That is what I said.

Q. Do not you know that he was in the field the year before surveying in Colorado?—A. do; that is, I so understood.

Q. Why do you say, then, he was not a practical surveyor?—A. Well, if going into the field makes a surveyor, he may have been one; but I understand a practical surveyor is a man that understands surveying.

Q. Was not his name in the contract for Colorado?—A. It was.

Q. How did you know that he did not survey?—A. I got that information from Mr. Fahlinger; I was also told as much in the summer of 1873, by the chief clerk of the surveyor-general's office in Colorado.

Q. What did he tell you?—A. He told me that they had had some trouble there about Lessig's brother, and they would not pass him for a contract, and the chief clerk said he had to have it—that Curtis (who was the chief clerk in the General Land-Office) had a brother-in-law in Colorado who was in poor circumstances, and passing through Washington City he said to Curtis: "You have got a brother-in-law out there in Colorado." "Yes." "His circumstances are not very good?" "No," Mr. Curtis said, "he has been unfortunate." Then this chief clerk said to Mr. Curtis: "I don't know but we could do something for him in our office." "Well," he said, "I really wish you could." I said, "There is General Lessig's brother, who is a good surveyor; he is going into the field, and I think to put your brother-in-law in with him, they would make a good team;" and he told me that in that way he got through all right. The contract went through.

Q. That was told you by the chief clerk of the surveyor-general's office of Colorado?—A. Yes; his name I cannot recollect, but he has been chief clerk there for a number of years.

Q. Is it Ashley?—A. Yes; E. M. Ashley.

Q. In regard to Medary, you stated that he was not a practical surveyor?—A. If the committee will allow me, I will first finish what I was going to say with regard to this conversation with Mr. Curtis. In the winter of 1870, it was Dr. Reed's intention to put his nephew, Charles Reed, who was then chief clerk, into the field; and he came on to Washington, and when he got to Washington he wrote back that they told him in the Department that that would not do; that he must not put in a blood-relative, and that a contract under the Colorado office had been rejected because the brother of the chief clerk had appeared in it. In the spring of 1874 he wanted to put his nephew, Charles Reed, in the field—to provide for him in some way or other; and he did not know how to do it. I told Dr. Reed the conversation that I had had with Mr. Ashley; how Mr. Ashley had managed the thing in Colorado; related the whole circumstance to Dr. Reed, and I must have told him that in the fall of 1873. I know that in the spring of 1874, when Dr. Reed came back from Washington, he told me that he was going to give a contract to Mr. Fowler, from Colorado, who was a brother-in-law of Mr. Curtis; and during the time that the contracts were being let, he told me that he had a letter from Mr. Steele, the Delegate from Wyoming, in which Mr. Steele had told him that Mr. Curtis was very much dissatisfied; that he had better fix the thing up, or something of that kind; that Curtis was complaining. He immediately sent for Fowler, and Mr. Fowler came up.

Q. You recollect this very distinctly, do you, as to what Mr. Steele wrote to me?—A. I recollect that you told me so; I am not sure whether you showed me the letter or not.

Q. I think you said that Mr. Medary was not a practical surveyor when I gave him a contract?—A. I did.

Q. What did you judge from?—A. From my acquaintance with him, and knowledge of him—my knowledge of his being brought there, and my general understanding of the circumstances.

Q. Have you ever been a deputy surveyor?—A. I never have.

Q. Do you know that he did not survey any in the field?—A. I do not know that he did not survey any.

Q. Do you not know that he had had a contract prior to my giving him one, and that he had had a contract under Latham, and had surveyed it prior to my giving him one?—A. I am not sure whether he had it surveyed. He had one of Latham, and I think he was at work at that contract when you came back.

Q. What time did I come back?—A. To the best of my recollection it was in August, 1873.

Q. You say Mr. Medary had surveyed one before I gave him a contract?—A. He was surveying one; he had had one.

Q. Had his compass-man, Cary, ever surveyed any contract?—A. He had not.

Q. Was he a practical surveyor?—A. I think not.

Q. And yet you think he is the one that did the surveying instead of Medary, who had the contract?—A. I know that as well as I can know anything that I did not see on the ground.

Q. Did not Mr. Medary write all the notes; did they not all come to the office in his name?—A. In his name, yes; he swore to them all.

Q. In his hand?—A. No, sir.

Q. Well, the most of them?—A. No, sir.

Q. Is he not a very good penman—Mr. Medary?—A. He is.

Q. Is he not an educated, scholarly sort of man?—A. No, sir; I do not think he is a very scholarly man.

Q. An educated man?—A. He is a man of good address.

Q. Is he not educated?—A. I do not know what you mean by "educated."

Q. Please tell us how long you were employed as clerk in the surveyor-general's office at

Wyoming.—A. From September, 1870—I think the latter part of September—until the 30th of April, 1875.

Q. You were appointed a clerk in the office by me?—A. I was, in 1870.

Q. Did you know anything about the duties of the office?—A. No, sir; I never had seen a surveyor-general's office.

Q. What was your salary first?—A. Twelve hundred dollars a year.

Q. When was it raised from \$1,200?

(The chairman here suggested that questions as to the witness' salary were in no way relevant; that facts had been stated with respect to the participation of various parties in contracts under Dr. Reed, which parties had performed no services, and that if Dr. Reed wished to cross-examine the witness as to that branch of the investigation it would be pertinent.)

Q. You have stated that you were a clerk for a whisky man before I appointed you?—A. Yes; and I will state further that I had been at work for that whisky-man for about six weeks prior to that time.

Q. Is the chief clerk considered the confidential and trusted clerk of the surveyor-general's office?—A. He is the chief clerk, certainly; he has his duties the same as the surveyor-general.

Q. Is he not generally considered the trusted and confidential man in the office of the surveyor-general?—A. I suppose he is.

Q. Were you not intrusted with the office and keys of the desks in my office during my entire absence in Washington in the winter of 1874-'75?—A. Yes, sir.

Q. How did you get possession of the letter of John Delano that you have exhibited here, addressed to me?—A. That letter was placed in my hands by you, it must have been on the 10th of June, according to my memory.

Q. Do you state that I placed that letter in your hands at that time to keep?—A. You placed it in my hands to send that telegram, to the best of my recollection.

Q. Do you think it was placed in your hands to retain?—A. Well, I suppose it was a matter of public record.

Q. Did you understand that the deputies who took the work that I had allowed to Mr. Delano were dissatisfied in working it upon shares?—A. I never heard but one of them express any dissatisfaction; that was Mr. Hay. I believe one of his townships he did not survey at all, and for that reason.

Q. Did he express any dissatisfaction to you about it?—A. He made the complaint either to me or in my hearing—what I have said.

Q. Do you feel positive about that?—A. Yes, sir. I recollect that one of the townships that he was to survey he did not survey.

Q. Was that not because it was getting too late in the season?—A. No, sir.

Q. What was the reason—because it was too rough?—A. No, sir. He did not want to give Mr. Delano any of it. He did not feel like giving him the amount that he would have to give him, because it was too rough a township.

Q. You are positive about that?—A. Well, I am not stating exact conversations. I am positive that there was something of that kind passed in my hearing or to me. That was the general understanding.

Q. I think you said Hammond had but one contract?—A. It was in two contracts of different dates.

The CHAIRMAN. And different numbers?

The WITNESS. Yes.

By Dr. REED:

Q. This contract amounted to what?—A. Four thousand one hundred dollars was the liability.

Q. After he finished that work, had he not then another contract that season of \$2,400?—A. Yes, sir.

Q. What did you understand about that?—A. Nothing particularly.

Q. Do not you know that he surveyed that entirely in his own interest, and received all the profits from it?—A. Yes, sir; he did. I will state to the committee that Mr. Hammond had been working there for a number of years, dividing his profits with Charles J. Reed, the chief clerk—Dr. Reed's nephew—and he was a man that had to be propitiated.

By the CHAIRMAN:

Q. And that is the reason why he was given the two contracts?—A. Dr. Reed did not like him at all—had no use for him—but he had to give him something to do.

By Dr. REED:

Q. How do you know he divided with Charles Reed?—A. From what he told me and from what Charles told me, and from money that had passed through my hands.

Q. Had that come to my knowledge, do you know?—A. Well, they both told me that you knew it.

Q. Did I express any such knowledge to you?—A. Not to me. I know you were not generally in the habit of picking up strangers, unless they were of some use to you.

Q. Are not my standing deputies there good deputies?—A. Yes, sir; as deputies go.

Q. Do not you believe them capable—such men as Rogers, and Thomas, and Hay, and Reed—are they not capable deputies?—A. Yes, sir. Such men as Hay and Thomas. (that is, John Thomas,) and, I suppose, you would count Charles Reed competent.

Q. Did you not tell me in the fall of 1874, before I left there, when he brought in his last work on the mountain—the last let contract—that it was the best done up of anything you had seen?—A. I said that the field-notes were in the best shape of any that had been brought in.

Q. How about the diagrams of the survey?—A. Possibly the diagrams.

Q. Do you state positively that you have not the letter of Secretary Delano to me in October, 1874, in your possession?—A. I have not; I never saw it after you showed it to me.

Q. You never have had it in your possession?—A. I never have.

Q. You stated that you forwarded those papers that are now in question here to Mr. Bristow?—A. That is what I stated.

Q. Did you forward them by mail?—A. I did.

Q. Are you sure you did not send them down by Wolcott?—A. I am.

Q. Who suggested to you to forward those papers to Mr. Bristow?—A. I did that only on my own responsibility.

Q. What inducements, if any, were offered to you to take those papers and forward them to Washington?—A. None whatever.

Q. From no quarter?—A. From no quarter. I will state that nobody knew that they were forwarded until after they had been forwarded, except Mr. Corlett, my partner—an attorney whom I consulted. Mr. Corlett is a lawyer, and I consulted him.

Q. And no one promised you anything or offered you any inducement for it?—A. Nothing of the sort.

Q. Did not John A. Campbell, ex-governor of Wyoming, offer you any inducement or make any promise to that end?—A. Not in the least.

Q. Nor Joseph M. Cary, ex-judge of Wyoming?—A. No.

Q. Did not W. W. Corlett, an ex-postmaster of Cheyenne, offer you any inducement whatever?—A. Not the least. I will state that Mr. Corlett even advised against my sending them.

Q. Did not Frank Wolcott, Ex-United States marshal, offer you any other inducement?—A. No, sir; not in the least.

Q. Did E. P. Johnston, Ex-United States district attorney, offer you any?—A. No person at all.

Q. And Frank Wolcott did not conduct any negotiations with you about this?—A. No, sir.

Q. Did he not promise you in behalf of Governor Campbell and these other gentlemen that they would make it to your advantage to furnish them with those papers?—A. No, sir; nothing of the sort.

Q. Did not these gentlemen whom I have named, Campbell, Cary, Corlett, Johnston, and Wolcott tell you that they would fulfill any agreement that said Wolcott made with you for the purpose of obtaining said papers?—A. No, sir; they said nothing to me about it—had nothing to do with it in any way, shape, or fashion.

Q. Were you not promised, if the removal from office of Dr. Reed and Secretary Delano could be effected, said Wolcott, Campbell, Cary, Corlett, and Johnston would recommend and support you for appointment as surveyor-general of Wyoming Territory?—A. Nothing of the kind was ever mentioned in any way, shape, or fashion.

Q. I think you said these papers came back to you from Bristow last summer?—A. Last July.

Q. Did Mr. Bristow himself send them back to you?—A. Yes.

Q. Have you met and consulted Governor Campbell since you arrived in Washington about this matter?—A. I have not seen him; no, sir.

Q. No consultation with him?—A. No consultation with anybody except Mr. Mutchler.

Q. You say you have not seen him up to this time since you came?—A. I have not seen him, sir, nor communicated with him in any way, shape, or fashion.

Q. Has Campbell, or any of those other ex-officers whom I have named, advised you of the necessity of so testifying as not to inculcate them in any way?—A. No, sir; nobody has said anything to me about how I should testify.

Q. What did you state the date of the telegram was that I sent out relieving you from duty?—A. I think it was dated the 29th of April. It was received there on the 30th. I am not sure as to the date, but I know I left on the 30th, when it was received there.

Q. Who approved your salary-account for that fraction of the quarter at the time of your leaving on the 30th of April, 1875?—A. I did.

Q. Was I there?—A. No, sir.

Q. After you approved your own account did you not write a letter to the Commissioner of the General Land-Office, in my name, transmitting your account, and make me state that your services had terminated by resignation, and while I was yet in Washington?—A. I did.

WASHINGTON, D. C., April 25, 1876.

JOHN S. DELANO sworn and examined.

By the CHAIRMAN:

Question. You are a son of Columbus Delano, late Secretary of the Interior?—Answer. Yes, sir.

Q. Did you occupy any position in the Interior Department during the time that your father was Secretary?—A. I occupied the position of chief clerk until the winter of 1872-'73; I think January, 1873.

Q. Was it 1873 or 1874?—A. 1873. In, I think it was January, 1873, I was taken sick, and discontinued my duties until the following summer—I should think in August, when, finding that I could not regain my health, I resigned.

Q. Was that August, 1873?—A. 1873, unless I am very much mistaken. I do not think I can be. The records of the Department will show if I am mistaken.

Q. Where did you go after you resigned?—A. I spent about a year in Minnesota, beginning with the summer of 1873. I spent the summer and winter there, leaving there in the spring.

Q. You spent the balance of the summer and the following winter there?—A. Yes, sir; leaving there in the spring of 1874.

Q. Did you return to Washington in the spring of 1874?—A. Yes, sir.

Q. How long did you remain in Washington?—A. It is a great while ago to be accurate about dates, but I should think I remained here until June. I was detained here in Washington by the sickness of my wife.

Q. And where did you go then?—A. Then I started West, after locating my wife for the summer.

Q. You started, then, in June, 1874, did you, for the West?—A. I should think it was June, 1874, my purpose being to go to Wyoming.

Q. Did you go to New York before you went West?—A. Yes, sir; I went to the White Mountains with my wife before going West.

Q. How long did you remain in New York?—A. I think it was a very few days.

Q. From there you went to the White Mountains?—A. I took her to the White Mountains; from there I went West.

Q. What point West did you go to?—A. I was detained in Chicago unexpectedly, and from there I was obliged to go to Lake Superior to look out after some interests there that were giving me some trouble; from there I went to Saint Paul, and from there to Wyoming, according to my recollection at this late day.

Q. How long did you remain in Wyoming?—A. I was in and around that Territory for the better part of the summer and early fall; Wyoming, Utah, and Colorado.

Q. How long did you remain in the Territory of Wyoming?—A. I was there several times.

Q. On that trip, I mean?—A. Well, on that trip, backward and forward—I could scarcely give you an idea now—a very accurate one.

Q. Did you meet the surveyor-general of Wyoming Territory in Wyoming?—A. Yes, sir.

Q. At what point?—A. I was with him a great deal of the time there.

Q. At what point did you meet Dr. Reed?—A. I think I met him at Cheyenne, or at some point east of Cheyenne, in Wyoming.

Q. Did you not meet Dr. Reed at Saint Paul?—A. I think I never met Dr. Reed at Saint Paul.

Q. Did you not telegraph him to meet you at Saint Paul or some other place?—A. It is possible, but I have no recollection of it now. I know that I had been detained.

Q. Are you certain that you met him at Cheyenne on that trip?—A. I am not certain that I met him at Cheyenne; I think it more than likely I met him this side of Cheyenne.

Q. Did you go with him to Cheyenne?—A. Yes, sir.

Q. How long did you remain there?—A. Do you mean on my first going out?

Q. I mean on that trip, when you left the White Mountains and went out West in June, 1874, I think you say it was, or about that time?—A. Well, I think I staid a day at Cheyenne on that occasion.

Q. One day?—A. I think so. It is a good while ago to recollect dates with any degree of accuracy.

Q. Did you have any interest in any surveying contracts in that Territory at that time?—A. Yes, sir.

Q. In how many contracts?—A. I would not be able to state positively now—two or three small ones.

Q. Two or three small ones?—A. That is the best of my recollection—possibly more.

Q. What was that interest you had?—A. I believe it was a half interest.

Q. Did you obtain those interests before you went into the Territory?—A. Yes, sir.

Q. In what way did you get them?—A. By invitation and solicitation of Dr. Reed.

Q. When did Dr. Reed suggest to you to take an interest in surveying contracts?—A. Some six or eight months before I did—possibly longer.

Q. Did he make the suggestion in writing to you by letter, or did you meet him?—A. He

made the suggestion to me in writing, I being at that time in Saint Paul, and the doctor being very anxious to have me come to the plains, insisting that it would restore my health more certainly and more rapidly, and he suggested this surveying contract as an occupation more than as a matter of profit.

Q. Are you a practical surveyor?—A. No, sir.

Q. You never learned the art of surveying?—A. No, sir.

Q. Did you ever give a bond as surveyor?—A. I have forgotten whether I gave a bond or not.

Q. Did you ever sign a contract?—A. No, sir; I think I neither signed a contract nor gave a bond.

Q. Did you take the oath required by law?—A. If I did not sign the contract I did not take the oath.

Q. Then you neither took the oath, signed the contract, or gave a bond?—A. I should not now want to state positively that I did not or that I did. I left the whole matter to Dr. Reed to arrange when I found it to be impossible to be there at the time required.

Q. With whom were you interested in contracts in this Territory of Wyoming?—A. With parties who did the work, and with Colonel Merriam, of Saint Paul.

Q. Can you name the parties or any of them?—A. Mr. Hammond was one of them I believe; Mr. Hays was one, and I think that was all.

Q. Were there any others besides Mr. Hammond and Mr. Hays?—A. As I said before I do not recollect now the number of contracts that I was interested in.

Q. Dr. Reed made the arrangement with these gentlemen for you?—A. When it was ascertained that it was impossible for me to get there in time he made the arrangement with the parties, and my recollection is that he drew upon me, or that he wrote me indicating the amount of money necessary to put into the outfit, and I sent him a check. It was either done by his draft upon me or my check to him, in order that the work might go on before it got too late.

Q. Did that check or draft contain the amount necessary for the outfit for each one of these surveyors with whom you were interested, or did you send out checks and drafts?—

A. My recollection is that they were different checks. I know Dr. Reed wrote me that the work of one contract must go on at once.

Q. To whom were these checks and drafts made payable?—A. To Dr. Reed, according to my recollection.

Q. And upon what bank were they drawn?—A. I could not tell. I kept two or three bank-accounts.

Q. Where did you keep your bank-accounts at that time?—A. I think they were drawn upon bank-account at Mount Vernon, Ohio, but that is a matter of memory.

Q. Did you keep an account with Mr. Merriam at Saint Paul at that time?—A. No, sir; I had no account with him.

Q. Had you an account with any banks in the city of Washington?—A. Not at that time, I think.

Q. What other banks were there in which you kept accounts at that time?—A. If it was not on the Mount Vernon, it must have been on Lenard, Suttan & Co., of New York. I may have sent that to him in a draft.

Q. Your recollection is that there was a separate check or draft drawn for the outfit of each one of the deputy surveyors with whom you were interested in contracts?—A. I cannot say that it was for each one. I know positively that the first surveying party that went out I sent a draft or check, or paid a draft of Dr. Reed for an amount sufficient to pay for the outfit of the party.

Q. That party was Dr. Hammond's?—A. That I do not recollect. I have a poor memory for names.

Q. Did you ever meet Mr. Hammond?—A. I think so.

Q. When?—A. I think I met Mr. Hammond on the cars when I first went West with Dr. Reed.

Q. Before or after you had the interest in the contract?—A. Afterward.

Q. You never saw him before?—A. Never saw him before.

Q. Then there was no contract between you and Mr. Hammond?—A. All of those details were arranged by Dr. Reed.

Q. The contract was made by Dr. Reed with Mr. Hammond?—A. Yes, sir; allowing that that is his name.

Q. And he was required to give the bond, sign the contract, and take the oath and do the work?—A. I should not want to make affidavit now, sir, about that; I may have taken the oath.

Q. You have already stated that you neither took the oath, gave a bond, nor signed a contract?—A. I have stated that I thought I did not. My recollection is that I did not.

Q. You were not out there when this contract was commenced?—A. No, sir.

Q. And you could not have given a bond or taken oath?—A. No, unless it was sent to me. I think it was not. My recollection is that it was not. I would not want to state positively. I would like to say that at the time I had contemplated going out West, I was very much annoyed and distressed with the sickness of my family and my inability to go

there, and under those circumstances Dr. Reed transacted all that business for me, and the details of it he can give you exactly, where I might make mistakes.

Q. Was it your intention, in the event that you could go out West, to have given a bond, signed a contract, or taken an oath as a surveyor?—A. My intention was to go into the field; my agreement was that, as one of the parties.

Q. In a contract?—A. In a contract, yes, sir; to furnish the money, to do the work, give the bond, take my gun and fishing-tackle, and, at least, get my health back.

Q. You were aware of the fact that the surveyor-general could not lawfully give a contract to any person who was not a skillful surveyor?—A. Not exactly in the sense you would apply to it here; one of the parties in the field must be a practical surveyor.

Q. The deputy must be a practical surveyor by law?—A. Yes; but suppose there were two deputies.

Q. If there were two or a dozen deputies, they would all have to be practical surveyors, would they not?—A. I do not understand the law in that way. It is not so interpreted by the Department. It is a very common thing that one of the parties in the contract is the party to furnish the money, and the other the practical surveyor.

Q. Is it a common thing for a person not a practical surveyor to obtain a contract in his own name?—A. I might say that it was a very common thing. I should think so; I so understood it.

Q. Then I understood you to say that the only reason you had for not signing the contract, taking the oath, and giving the bond, was because you could not get out there in time to do it?—A. Yes, sir; it was my purpose to spend the whole of that summer in the surveying camp.

Q. To take contracts in your own name?—A. In my name with a partner who should be a practical surveyor.

Q. Did you write a letter from the Interior Department to Dr. Reed, in which you stated that he should not put your name in any contract, but should put that of General Merriam in?—A. I did; that letter has been published in nearly every newspaper in the country. I have seen the original two or three times since it has been floated.

Q. (Showing the letter.) Is that the letter?—A. Yes, sir.

Q. Then if it was your intention to sign a contract yourself, take the oath, and give a bond, why was it you wrote to Dr. Reed telling him to put in the name of General Merriam to stand for you?—A. At that time you will observe, sir, that I found myself unable to go out. My expectation was that Mr. Merriam would be out there long before me, and he was.

Q. The only reason you had for asking Dr. Reed to put Merriam's name in the contract was that you thought he would be on the ground?—A. I did not say that was the only reason.

Q. What were the other reasons?—A. Well, Mr. Chairman, when it was found impossible for me to get out there, the contract could not have been taken in my name because I could not go into the field at that time.

Q. Is that the reason, then, why you wanted Merriam's name in—because you could not go in the field?—A. I say that is one reason; I am a little modest about the use of my own name.

Q. What is the other reason?—A. You might ascribe it to modesty, perhaps; I think it is allowable.

Q. What time was that contract let to Mr. Hammond; was it before or after the date of your letter?—A. I would not like to be positive on that point, for I was a regular correspondent with Dr. Reed, writing him every few days.

Q. And was not the contract made out simply in the name of Mr. Hammond and Mr. Merriam's name not put in it at all?—A. I think it was, because Mr. Merriam did not go there in time, as I recollect now. Neither Mr. Merriam nor myself were there in time to go into the field.

Q. Mr. Merriam did not go there at all, did he?—A. O, yes, sir; he was in that country all the summer.

Q. Did he go to Cheyenne?—A. Yes, sir.

Q. Before the contracts were let?—A. I think after, sir.

Q. Did he have a contract of his own?—A. Not that I know of.

Q. He resided in Saint Paul, did he not?—A. Yes, sir.

Q. He was a banker?—A. He has no fixed business. He was out of business, and, like myself, in very poor health at the time. My object in associating Colonel Merriam with me was simply for company; that we might go out together and rough it out on the plains.

Q. He was not a surveyor, was he?—A. No, sir.

Q. In what way did you get your share of the profits of that contract? I mean who paid that share to you?—A. I do not recollect how it was done now, sir.

Q. Do you know whether Mr. Hammond gave two notes, one of \$1,000 and one of \$400, payable to Mr. Merriam, or not?—A. As I said, Dr. Reed arranged all the details of those contracts—both the outfitting and settling of the contracts. On those questions I would not like to give very positive answers.

Q. Can you tell in what way you obtained your share of the profits of the contract?—A. It was by check or draft from Dr. Reed, I think. I know that there was no effort made

to conceal the receipt of the money in any way. It was not then regarded as a dishonorable or a doubtful transaction.

Q. If there was no effort made to conceal the transaction why was it that the two notes for your share of the contract were made payable to General Merriam and not to yourself?—A. I suppose it grows out of that suggestion of mine to make Merriam the active party in that contract—out of my message.

Q. There was no necessity for your being on the ground to get the notes, was there? Dr. Reed could take the notes in your name without your being present?—A. Yes, sir; I presume so.

Q. Then these notes were not made payable to General Merriam because you were not on the ground?—A. Probably not.

Q. Why were they made payable to him; to conceal the transaction? Is not that the fact?—A. By no means.

Q. Why, then?—A. I say probably on account of my suggestion, in my letter to Dr. Reed, that the contract should be given to him. Probably he made the notes payable to him on that account.

Q. But you have stated his name was not put in the contract?—A. Yes, sir; because it could not be.

Q. And that your name was not put in because you were not on the ground?—A. Yes, sir.

Q. And his name was not put in, and no one's name put in but Mr. Hammond's?—A. A. Yes, sir, because neither Colonel Merriam nor I were there.

Q. Now, Mr. Hammond gave two notes, which covered your share of the profits of his contract; those notes were made payable to John L. Merriam. That was not because John L. Merriam was present and you were absent?—A. No, sir.

Q. Then why was it done?—A. If my answer to that question before is not sufficient, you will have to ask Dr. Reed. I can give you no better reason than I have. It is really a question that I have no right to answer. I wrote to him suggesting to him to put the contract in Colonel Merriam's name. Colonel Merriam was not there; he could not do it; and I suppose he took the notes in his name on that account.

Q. Was there an understanding between you and Dr. Reed that your name should not appear in the papers?—A. None except what you have there. As I recollect, that was the only mention made on that subject except when Dr. Reed met me, I think in Washington, and repeated his invitation to come out there. He then told me that he had talked with the Commissioner of the General Land-Office about my going, and about taking a contract in my name, and on account of my modesty I objected to having it done in that way. There was no desire or design to do anything improper or wrong.

Q. Is this [showing Exhibit A] the draft that you received for the proceeds of the profits of the Hammond contract?—A. Yes, sir; that is my signature.

Q. That draft was paid to you?—A. Yes, sir; that was paid to me.

Q. Is that all the money you received from that contract—what is contained in that draft—the amount of it is \$895?—A. My recollection is that that was all. Will you let me look at that draft again? [After looking again at the draft.] I could not state at this day the precise amount that I received from any of those contracts.

Q. Was not the precise amount that you received from the Hammond contract \$1,400?—A. I should think not; but I should not, as I said, want to state the exact amount of any of them now.

Q. And did you not direct Dr. Reed to pay the balance, being \$505, to the treasurer of some mining company as the assessment made against you, and did not Dr. Reed pay that assessment for you with the \$505, the balance of the money?—A. I do not think that the profits of the Hammond contract amounted to so much as that. I should think that it did not, but I may be mistaken about that.

Q. Do you or do you not remember whether these notes were made payable for your use?—A. In the details of that matter I would rather you examined Dr. Reed. As I said, he managed the whole business when it was found that I could not go there, and these questions of detail he will have to state.

Q. You have stated already that, at your request, the name of John L. Merriam was put in the papers, or that you requested it was to be put in, but that it was not put in the contract, and the only place it does appear is in the two notes.—A. Yes, sir.

Q. Do you not know, then, that the name of John L. Merriam stands there for your own name?—A. I presume that it does. Mr. Merriam may have made contracts that I do not know anything about. I do not imagine he did.

Q. If it does stand for your own name, then your share of the profits of that contract was \$1,400?—A. It is quite possible. As I said before, on the question of amounts, I can only give my best recollection. The amount transmitted to me represents the profit of my share and the money advanced.

Q. Now, try and remember—was not the balance of the money, over and above the draft, appropriated by Dr. Reed to the payment of an assessment made against you on account of some mining stock that you held?—A. I paid so many mining assessments that I can't say. At what date would that be?

Q. It would be, I suppose, about November, 1874—about the date of the draft.—A. It may have been done so.

Q. Now, sir, what service, if any, did you render that might enable you to receive this amount of money in the contract given to Mr. Hammond?—A. You have the whole statement before you, sir. You can judge of the amount of service I rendered.

Q. You rendered none?—A. I do not say that I rendered none. I advanced the money on the outfit necessary, and the work was thoroughly done.

Q. Was there an understanding between you and Dr. Reed that the contract should be let at the maximum sum?—A. No, sir.

Q. You never requested Dr. Reed to let the contracts in that way?—A. No, sir.

Q. Do you know what amount of money was received by Mr. Hammond out of this contract?—A. I do not recollect either the amount of money received by Mr. Hammond or myself. I had memorandums of those amounts. After the contracts were closed, I destroyed my memorandums.

Q. As to the Hays contract, what amount of money did you receive from that?—A. I could not be more explicit in that than in the other transaction.

Q. You do not know how much you received from that?—A. My recollection is that I received from all those contracts about \$2,500—possibly a little more, possibly a little less. I certainly could not have received over \$3,000. As to the amount for each one, it is impossible for me now to be exact. The aggregate I remember quite distinctly: it would have been under \$3,000—probably \$2,500.

Q. At what time in the year did you part from Dr. Reed—you say you were traveling together in the West?—A. I saw the doctor several times during the summer and fall. Do you mean the last time?

Q. Yes, sir; when you parted and when you came to Washington.—A. I did not come to Washington from the West for nearly a year after that; but I went from there to California.

Q. Did Dr. Reed go with you to California?—A. No, sir.

Q. Did he go with you to Utah?—A. Yes, sir; I went with Dr. Reed to Utah twice, I think, during that summer and fall.

Q. Were you in the city of Washington on the 20th of April, 1875?—A. I could not tell that at the present time.

Q. Do you remember meeting Dr. Reed in Washington in the spring of 1875?—A. I don't think I met Dr. Reed last spring at all, either in Washington or elsewhere—wait—I did meet Dr. Reed here in the winter or early spring. It must have been earlier than that.

Q. It was in the latter part of April, was it not?—A. I should say it was earlier than that. I recollect now of seeing Dr. Reed last winter or spring.

Q. When you met Dr. Reed in Washington, did you know that Mr. Stevens had sent this draft and other papers to Secretary Bristow, with a request that he lay them before the President?—A. No, sir.

Q. You did not know that?—A. No, sir; I did not know that until the present moment, since you tell me.

Q. You did not know until the present moment that these papers were ever received by Secretary Bristow from Mr. Stevens, a clerk in Dr. Reed's office, and by him given to the President?—A. I have heard a great many stories about those papers. I do not know, and I do not care to know, how they were received by the President.

Q. Do you say you did not know at the time that the President had those papers?—A. No, sir; I did not know.

Q. Did you or not tell Dr. Reed, upon his arrival at Washington from Saint Louis, in April, 1875, that the President had the papers containing the evidence of your interest in contracts in his Territory?—A. I do not recollect of seeing Dr. Reed that late in the season. Dr. Reed was here in the winter. It is possible I may have notified him as soon as I learned it myself. The probability is that I would do so.

Q. You say, then, that the probability is that you did tell Dr. Reed that the President had these papers?—A. When I was advised so; but whether that was in April or May I do not know now, and I have no recollection now at the present time of seeing Dr. Reed about that time. If Dr. Reed was here at that time, and I knew of the papers in use in that way, I would have told him.

Q. But you say you have no recollection of the fact that you ever did tell him?—A. I do not recollect it now. Something might recall the interview to my mind, but I do not recollect it at the present time. If he was here, and I knew of the papers being with the President, I should have told him.

Q. Did you not know that the President had the papers?—A. At that time?

Q. At any time.—A. O, yes, sir.

Q. How did you learn it?—A. I read it in the newspapers.

Q. And you never knew it until you saw it in the newspapers?—A. I have been told many stories about those papers. I think I was told by half a dozen parties a day, before it came out in the newspapers, of their being there. About that time I was notified by a great many parties that such papers were in the hands of the President.

Q. Was that before or after Dr. Reed arrived in the city?—A. Well, I do not recollect of Dr. Reed's being in the city about that time.

Q. Do you recollect having a conversation with Dr. Reed at any time about these papers, and telling him that the President had them?—A. O, yes, sir; I think I do.

Q. When did you have that conversation with Reed?—A. I either notified him verbally or by letter of that fact.

Q. Do you know whether Dr. Reed was in the Territory at the time his clerk sent these papers to Mr. Bristow?—A. Can you tell me when Dr. Reed was here?

Q. I think he swears he was here on the 28th of April, 1875.—A. Can you tell me when these papers were published first?

Q. No, sir; I cannot tell you that.—A. My recollection is, and it is only a recollection, that when these papers were published, Dr. Reed was in Saint Louis. Now, whether I met him here and told him of their being with the President, or whether I wrote him that they were with the President, I do not recollect. I should, however, swear pretty positively that I did not see him here the last of April; but if he was here I must have seen him, and if I saw him I must have told him of the fact, providing the publication was made prior to that time. For those dates I could not be positive now.

Q. Do you remember who the person is who first told you that the President had these papers?—A. No, sir; I do not; but my recollection is it was somebody who got it from some newspaper man—a reporter. I was told a number of times about the time they were made public.

Q. Did you ever have a talk with the President about the matter?—A. Never.

Q. Did you at any time have possession of the papers while you were here in Washington?—A. No, sir.

Q. Did you see them at any time?—A. I have seen them several times since they have been going the rounds.

Q. Where did you see them the first time you saw them?—A. I should want to refresh my memory on that subject before making a positive answer on it.

Q. Do you say that you do not now recollect where you saw them the first time?—A. I would not like to state positively.

Q. What is your impression, if you have any, as to the place where you saw them the first time?—A. I would rather refresh my memory a little and endeavor to make my answer more definite before I make any on that subject.

Q. If you have any impression we would like to know what it is as to the place where you first saw these papers?—A. I have not an impression positive enough to state it in testimony at the present time. Many of these matters of dates and places of importance I cannot state accurately without recalling some of the attending circumstances.

Q. Were not these papers in possession of the President when you first learned that they had been sent to Washington?—A. They were either in his possession or about to be put in his possession. I heard a number of rumors and reports, and people would come to me and tell me that they heard such and such stories about these papers on Newspaper Row, and all that sort of thing. The papers might not have been in the President's hands when I first heard of them.

Q. Were not they in the President's hands when you first saw them?—A. Not in his hands, but they had been placed in his hands in all probability before I saw them.

Q. Were they not in his possession when you first saw them?—A. I would not like to state that positively. The probability is that they were. I do not know when they were handed to him. I did not take enough interest in it to care one way or the other.

Q. Now, sir, who showed them to you?—A. Do you mean the first, second, or third time?

Q. I mean the first time you saw them, who showed them to you?—A. That question I would not like to answer now.

Q. We must insist that you answer that question.—A. I should like to recall some of the attending circumstances in regard to those letters before I put myself into print or on paper about it. There is nothing that I desire or intend to conceal. I do not care enough about it. You are welcome to all that I know about the subject.

Q. The question is, who first showed you these papers? You can either tell who it was, or you can say you don't know.—A. At the present time, I would answer that I do not know positively.

Q. Was it or was it not some person employed at the Executive Mansion?—A. I was going to say, if you will leave that question to a later day until I ask one or two questions to refresh my mind, I will then give you all the information that I can pick up on the subject.

Q. We desire that you answer the question now, if you can.—A. I cannot now answer it satisfactorily, but I will do so positively, after having asked one or two questions as to dates. There is not anything about it but what you are welcome to know, and I will give you the positive information in regard to it. I would rather answer the question when I can do so positively.

By Mr. BOONE:

Q. What is there that can refresh your recollection on that point that you have not got now?—A. This fact, that I had been told so many times about those letters and papers, and by so many different parties, and there are two or three occasions on which I have seen them, so that I cannot answer without asking at least one of the parties where it was, and when it

was, that I first saw them. If you give me time to do that, I will answer the question positively. My recollection is that I first heard of those things being in the President's hands when in New York.

By Mr. MUTCHLER :

Q. The question is not when you first heard that they were in the President's hands ; the question is who first showed them to you ?—A. If you will wait a little while, I will answer that question clearly and definitely.

Q. Do you say that you cannot now remember who showed them to you at any time ?—A. No, sir.

Q. You do not know whether it was any person employed at the Executive Mansion or not ?—A. Would you rather I answered these questions to the best of my recollection, than to wait a day and let me give you positive information ?

Q. Yes, sir ; and if you find you have made a mistake you can come back and correct the error.—A. I would rather you let the question run to to-morrow.

Q. We would rather have your impressions or recollections now ; as, I say, we will allow you to correct them to-morrow if you find you have made a mistake.—A. My recollection is that they were shown to me first by some one connected with the White House.

Q. Who is that person ?—A. It was probably General Babcock.

Q. Was that before or after Dr. Reed came to the city ?—A. As I told you, I had no recollection of Dr. Reed's being in the city at that time. I recollect of his being here in the summer. He may have been here, and if his testimony is that he was here, he must have been here, but I do not recollect of his being here at that time.

Q. Was not that the first intimation that you had of the papers being in Washington ? I mean at the time when General Babcock showed them to you.—A. No, no, sir.

Q. You knew it before that ?—A. I knew it from a dozen parties before that.

Q. Had it been in the papers before that ?—A. That I could not say.

Q. Do you know what time of the year it was when you think General Babcock showed you the papers ?—A. I could not even tell you the month it was in.

Q. Was it in the spring of 1875 ?—A. It was in the spring—last spring.

Q. The month of March or April ?—A. I could not tell now, sir. It is a matter that I did not take much interest in anyhow. The President or the public are welcome to these papers.

Q. Do you remember having a conversation with Dr. Reed in which he told you that he had been to see the President in relation to these papers—a conversation here in the city ?—A. I recollect very well of seeing Dr. Reed after he had had a conversation with the President on this subject, but whether that was in April, or May, or June, I cannot say.

Q. It was immediately after he had had the conversation with the President ?—A. Yes, sir ; and I think it was soon afterward at any rate.

Q. Did Dr. Reed then tell you that he had telegraphed to his clerk—Mr. Stevens—asking him how Campbell obtained “Delano's letters to me” about surveys ?—A. I was trying to recall my interview with Dr. Reed. There has been so much said on this subject that it is difficult to locate it all. I think I recollect the doctor's telling me that he had suspended Mr. Stevens, or some one in the office who, he thought, had made improper use of his records. It is possible he may have mentioned the telegram and probable that he did. If he sent it, undoubtedly he told me of it.

Q. That was after his interview with the President ?—A. That I could not say.

Q. Did Dr. Reed tell you that the President said to him that he would give you those papers ?—A. He may have said so. I had no desire to have the papers, and had made no request for them.

Q. Did you make any request for them after the doctor told you the President said he would give them to you ?—A. No, sir ; I made no request ; never made a request for them.

Q. Did you make any effort of any kind to get them ?—A. No, sir ; I made an inquiry once about them.

Q. From whom ?—A. I think from the President's secretary.

Q. General Babcock ?—A. Either he or whoever was acting at that time.

Q. What did you inquire about ?—A. I think I inquired if the letter was there.

Q. Is that all ?—A. Yes, sir ; I never asked for it.

Q. Did you inquire whether he had any instructions from the President to give you the papers ?—A. No, sir.

Q. Did you have any interest in surveying-contracts given by Surveyor-General King ?—A. No, sir.

Q. In Minnesota ?—A. No, sir.

Q. Or Charles T. Brown ?—A. No, sir ; this is the only surveying-contract in which I have ever figured.

Q. You have never figured in any other ?—A. No, sir, directly or indirectly ; I think I shall, though.

Q. Did you have an interest in any contract given to a gentleman by the name of Du Bois, who lived in this city ?—A. No, sir.

Q. Did you use your influence to obtain a contract for him?—A. No, sir; I had not much influence to use.

Q. Do you know anything about his having a contract?—A. I know that there has been such a contract in the Interior Department, in the Land-Office, I think, for surveys of the lower country, if it is the same man as the gentleman I have in view.

Q. Do you know Mr. Du Bois?—A. I should not know him if I saw him. I have no acquaintance with him.

Adjourned.

WILLIS DRUMMOND was examined as follows :

By Mr. REED :

Question. What is your name and residence?—Answer. My name is Willis Drummond. I reside in Washington.

Q. You have been Commissioner of the Land-Office in this city, have you not?—A. I was Commissioner from about February, 1871, to May, 1874.

Q. Do you remember my consulting you about the month of February, 1874, as to the propriety or impropriety, if any, of uniting Mr. John Delano with a practical surveyor in a contract for surveying land in Wyoming?—A. Yes, sir; I remember a conversation that we had some time in the latter part of the winter of 1873-'74.

Q. Please state what your opinion was which you gave to me at that time in regard to the matter?—A. You said that you had considered the matter of letting Mr. John Delano have an interest in a contract to go out with a surveying party with a view to recruiting his health; he had been at that time in very bad health for a year or two, suffering from consumption; you expressed the opinion that if you could get him out there and connect him with a surveying party, letting him camp out during the summer, that it would cure him, and you asked me if there would be any impropriety in your allowing him to have an interest in a contract with a competent surveyor. I told you that there would not, as Mr. Delano was then disconnected with the Department, having resigned his position, and no longer holding any official connection with the Department, that I did not see that there would be any impropriety in it. The question then came up in some way as to how this should be done, whether it should be done as an open transaction, using his name, or whether he should be allowed an interest in the contract without his name being used. I told you that if it was done at all, it must be done openly, that his name must be used in the contract, and that you should treat him the same as anybody else; that I did not know any reason why he should have the contract because he was Secretary Delano's son, and, on the contrary, I did not know any reason why he should not have the contract because he was Secretary Delano's son, but that I would not approve any transaction unless it was an open transaction in Mr. Delano's own name, he appearing as deputy, and entering into the contract the same as anybody else. That was the substance of the conversation.

Q. It was understood between us that if I gave a contract to him and another competent party you would approve the contract?—A. Yes, sir; I told you that I never had interfered with the letting of contracts by surveyors-general in advance, because I had to hold them responsible for the discharge of their duties: that I never dictated to them in that matter, but that I saw no reason why, if you thought it best to let John Delano, in conjunction with a competent engineer, have a surveying-contract out there, I should disapprove it. On the contrary, I felt inclined to approve it. I said I had no objection to it.

Q. Do you remember whether you in your time adopted the regulation of approving surveying contracts before their execution?—A. No, sir; I think that was done prior to my time.

Q. That practice existed before that time?—A. Yes, sir; they had to be sent up here for approval. I am not sure, but I think that was by act of Congress. I think it was provided by act of May 3, 1862, that it should not become binding upon the United States until approved by the Commissioner of the General Land-Office.

Q. Were you in the practice of requiring at least the name of one skillful or practical surveyor in each contract?—A. Yes, sir. I found after I took charge of the office that there had been a very loose practice on the part of certain surveyors-general; that they had appointed men without any knowledge of the business, and that the surveys were executed very poorly in some instances. I issued regulations in 1873, I think, requiring that they should let their contracts to men of practical experience in the business, and I declined after that to approve any contracts unless one practical man who had had practical experience in the business was connected with those contracts. I issued a circular-letter of instructions to surveyors-general, forbidding their letting contracts except to that class of men.

Q. Do you remember to have ever disapproved or revoked any of my contracts either for that or any other deficiency?—A. No, sir; I never, to my knowledge, disapproved of any of your contracts.

Q. Please state how many copies of each contract have to be signed by the deputies.—A. I think they are signed in quadruplicate.

Q. How many oaths are there taken upon each contract?—A. There is an oath for the faithful discharge of duty, and I think there is also the iron-clad oath.

Q. On each contract up to the quadruplicate?—A. Yes, sir.

Q. How many copies of township plats, including the original, of each township have to be made by the surveyor-general before the accounts of the deputy can come to the General Land-Office, and does a copy of all field-notes and one plat of each township have to come with the said accounts?—A. The plats are to be executed in triplicate, one for the General Land-Office, one for the surveyor-general's office, and one to be sent to the local land office. One copy of the plat has to be sent to the General Land-Office for examination before the deputy's account can be adjusted.

Q. Do you remember whether you revoked a contract made by my predecessor, Dr. Latham, in the months of June or July, 1873, because neither of the parties to the contract were practical surveyors, or known to your Department?—A. I did not revoke a contract, I disapproved one; it was disapproved because it was shown in the report of the surveyor-general that neither of them had ever had any practical experience in surveying.

Q. If I had sent you a contract with a competent surveyor, who had become a practical, good, trusty surveyor by practice in the field, would you have disapproved it merely because he was my nephew; and to that extent my blood relative?—A. No, sir; the law does not prohibit contract because of relationship; but I ought to state this to the committee: in the history of the office, it appears that upon one or two occasions surveyors-general let contracts to their children—to minors. In other words they farmed out the business of the administration to their own immediate families. That was considered objectionable by the Commissioner, and I would not have approved contracts where a man had farmed out to his own children, and to his own immediate family, but I should not have rejected a contract because it had been let to a relative, if that relative was not a member of his own family.

Q. A nephew you would not object to?—A. No, sir; the object would have been to have got a good surveyor without regard to the question of relationship. I should have objected to the kind of transaction which I speak of where a surveyor-general, as was done in one or two instances, farmed out contracts, as I understand, to his own children, some of them being minors. That is, he farmed out the business of the office, keeping it all in one family.

Q. I have testified here, under oath, that I offered Mr. John Delano an ordinary-sized contract, or a first-class contract for surveying, which means, with my office practice, a contract of from \$5,000 to \$5,500, he to be united with a practical surveyor; that I took one Mr. Hammond, with an equal amount, say \$2,000 to each, in a contract as a partner with Mr. Delano; that I waited some days or a week for the arrival of Mr. Delano; that on the 19th or 20th of May, 1874, Mr. Delano not coming and Mr. Hammond being ready to start to the field with his men and his outfit, I signed the contract with him, he giving a sufficient bond; that he drew on Mr. Delano for his part of the advance expenses, and started to the field, enjoining upon me not to interrupt or stop him if possible. Mr. John Delano did not reach Wyoming and insert his name before I was obliged to forward the contract to the Commissioner of the General Land-Office for approval; that I retained the contract some weeks waiting for John Delano to reach there, and that he failed to reach there before the time elapsed which made it necessary to forward the contract to the Department for approval. I now wish to ask you whether, under such a state of facts, I ought to have recalled that deputy, Mr. Hammond, from the field, on finding that Mr. Delano did not reach there before I was obliged to send the contract away for approval; and if I did not recall him, whether I should be censured for carrying out his verbal arrangement involuntarily dividing profits with Mr. Delano, the same as if Mr. Delano's name had been in the contract. I present two points: whether you, as Commissioner of the Land-Office, think I should have recalled the deputy, or whether I should have interfered in the matter?—A. With the permission of the committee I would say that, under those circumstances, I do not think you ought to have recalled the deputy, unless he was immediately by and could be recalled without great loss to him. If he was a competent deputy, he should have been permitted to go on and execute the contract. Of course it was then a contract with a single individual as it stood on the records. If he saw proper to divide the proceeds with John Delano after that, that was a matter of his own, and it was a matter in which I should say you had no right to dictate to him or to control him. You should not after that have dictated to him anything about the division of the spoils. If he saw proper to do so voluntarily, it was a matter with which you had nothing to do.

Q. This was entirely a voluntary matter, and so considered, and was continued to the very end?—A. It would have done no good to the Government, and would have done injury to the deputy to have recalled him at this stage of the proceedings.

Q. Please give to the committee whatever your opinion may be of the character and fidelity of both the office and field-work of Dr. Reed as surveyor-general, and what you believe to be his fidelity to the interests of the Government as surveyor-general, and whether you ever confided to him important duties in his official capacity in other places than his own district of Wyoming.—A. So far as Dr. Reed's record, while I was Commissioner of the Land-Office, was concerned, it was unobjectionable; he holds the reputation of being a very competent and faithful surveyor-general. His work came up to my office in good shape, and always, I believe, without exception, proved satisfactory. He had the reputation of being one of the most efficient and competent surveyors-general in the service at the

time I was Commissioner of the Land-Office. Because of that reputation I selected him, at the instance of Mr. Delano, to make an examination of some work that was performed in the State of California in relation to a private land-grant. The Secretary wanted it examined, and I selected Mr. Reed with reference to his qualifications as a surveyor, as well as his reputation as a faithful surveyor-general, to perform that work.

Q. Did I perform it to the satisfaction of the Government?—A. Yes, sir; I believe so, entirely.

By the CHAIRMAN :

Q. I understood you to say that all you required was that one of the parties named in the contract should be a practical surveyor?—A. Yes, sir; I say that is all the regulation of the Department requires. I have brought with me, for the purpose of showing that fact, the regulations issued by one of my predecessors. An extract therefrom reads as follows: "When two deputies enter into joint contract for a certain service and only one of them goes into the field, if that one with a single surveying party executes all the work in person, his affidavit alone as surveyor, attached to the field-notes, will be deemed sufficient; and no impediment to the payment of his accounts will result therefrom." That was issued in 1864.

Q. Do you understand the law to require that contracts shall not be let to any persons except such as are skillful surveyors?—A. The language of the law is, I believe, that the surveyor-generals shall select skillful surveyors as their deputies. That is the old act of 1796.

Q. There is no other law except that, is there?—A. No, sir; there is no other law except that, that I know of, on that point. I do not remember any.

Q. Do you also understand that it is necessary for surveyors to give a bond and take an oath?—A. Yes, sir.

Q. And also to sign a contract?—A. Yes, sir; the deputy exists by virtue of his contract. It is not an office by commission, but exists merely by contract.

Q. Do you consider a surveyor-general as complying with the law who would let a contract to two men and require only one of the deputies to take the oath, sign the contract, and give the bond, and at the same time have him joined with a party who was not a skillful surveyor, who was not required to give a bond, to take the oath, or to sign the contract, and who did not appear in the Territory at all or upon the land that was to be surveyed? Would you nevertheless approve that contract?—A. No, sir; I do not say so. I was speaking of where two deputies entered into and executed a contract—that it had been the practice of the office, and probably in accordance with the spirit of the law, if not in accordance with the exact letter of the law. I found it had been the practice of the office, almost from time immemorial, to let a contract to two men, requiring one to be a competent surveyor to take charge of the compass and execute the work.

Q. Did you require the two men to sign the contract?—A. Yes, sir.

Q. And to take the oath?—A. There are two or three different elements entering into the consideration of a contract. One is the capacity and fitness for the work, and the other is the financial responsibility. Another thing that we find in practical experience in surveying, is executive capacity to manage a lot of men in the field. Those three qualifications constitute a good surveyor. We frequently find in practice that where a man possesses the technical skill to survey he does not possess the financial responsibility, and I suppose in that way the practice grew up of allowing a financial man to be connected with a skillful surveyor. That practice is so old that I do not know exactly how it originated. I suppose, however, that that was its origin, and I found it in operation when I entered into the Land-Office, but we always required the parties interested, so far as we knew anything about it at the Land-Office, to execute the contract or appear upon the face of it.

Q. That is, both parties?—A. Yes, sir; and that kind of a contract, I have no hesitation in saying, I should have approved where it appeared to me that there was one man capable of taking charge of the work, because there was a number of kinds of work that the other man could have done. He could have carried the flag, or the chain, or anything of that kind. It was not necessary for more than one man to be a skillful surveyor in a surveying party.

Q. Had you known that Mr. John Delano had a half interest in the contract let to Mr. Hammond, would you have approved that contract?—A. I should not have approved an arrangement by which one man was to have an interest in the contract without appearing as a party to it.

Q. Then I understand you to say that you would not have approved the contract of Mr. Hammond?—A. This contract was made after I left the office, and of course I had no official connection with it. It was something that I never heard of until it was published in the papers here some months ago.

Q. How long after you advised Mr. Reed that he might connect Mr. John Delano with a competent surveyor in a contract in his territory, did you leave the office of Commissioner?—A. I left the office the next May.

Q. Was that one year afterward?—A. No, sir; it was in February that we had the conversation.

Q. Then you did not, of course, approve that contract or agreement?—A. No, sir; I never knew anything in the world about it, and never heard of it until this affair was published.

Q. But you did advise Dr. Reed that you would approve a contract let to Mr. John Delano, if he would connect with Mr. Delano a practical surveyor?—A. Yes, sir.

Q. You meant by that that Mr. Delano should go into the Territory itself, execute the contract, and connect himself with it in every respect according to the regulations of the office?—A. Yes, sir; according to the regulations of the office as the law had been construed from time almost immemorial.

Q. Do you remember approving a contract let to a man named Medary?—A. No, sir; I have no recollection of it.

Q. Do you remember that a man named Medary was one of Dr. Reed's deputies?—A. I have heard so, but I have no recollection of it.

Q. Was that during the time you were Commissioner of the Land-Office?—A. I think it was.

Q. Do you know whether Mr. Medary was a practical surveyor or not?—A. I do not. Up to 1873 there was no regulation requiring the surveyors-general to report as to the qualifications of their deputies. They sent contracts, and unless some objection appeared, I think they were approved; but in 1873 I, having had the experience of the year or two before with deputies entirely unsatisfactory in regard to the execution of their work, issued regulations requiring the surveyors-general, whenever they sent to me a contract, to send up a report as to the qualification of the man employed, showing where he had been employed as a surveyor, and what duty he had performed in the field. After that time all contracts which were approved by me were approved upon that kind of a report. But up to that time there had been no report made under the regulations of the office, and consequently I might have approved contracts when they were let to men who were inexperienced without knowing anything about it. The old system did not work to my satisfaction, and I introduced new regulations.

Q. I understand you to say, then, that if you had known Mr. Medary was not a practical surveyor, you would not have approved that contract?—A. I would not, if it was let to him without association with a competent surveyor.

Q. Did you know that the Medary contract was really let to Orvil Grant?—A. No, sir; I never knew Orvil Grant had any interest in a contract while I was in the office; I never heard of him in connection with any contract while I was Commissioner of the Land-Office.

Q. Do you remember approving a contract for two surveyors named James and Rodgers?—A. No, sir; I have no recollection of them. The chief of the surveying division always examines. Of course, in an office where there were 200 clerks, I could not examine into details. The chief of the surveying division was charged with the duty of examining, and he brought the contract to me with an approval indorsed, or brought a report to me, saying that it should not be approved. That was under general regulations which I had prescribed to him in the discharge of his duties. If he brought a surveying contract to me to sign I considered that he had made the necessary examination, unless I had some information or suspicion, and signed it without further examination.

Q. Suppose that you had been apprised of the fact that the contract let to James and Rodgers was really given to a person named Houghton, who publishes a newspaper at Galena, Ill., and who was not in the Territory at that time or any subsequent time, would you have approved that contract?—A. No, sir.

Q. You would not have approved it, although James and Rodgers were practical surveyors, had signed the contract, taken the oath, and given the bond?—A. I never did approve a contract let for the benefit of anybody who did not participate in its execution.

Q. You would not have approved it simply because they had agreed to divide the profits with a man who was taking none of the responsibility and doing none of the work?—A. I should have disapproved it for that reason.

Q. When you said to Dr. Reed that you saw no objection to Mr. Delano participating in the profits of the contract, you meant by that Mr. Delano should go into the field himself, did you not?—A. Yes, sir; the conversation was that Mr. Delano's health would be benefited by going into the surveying party and taking a summer's campaign with the party. That was the idea that was advanced to me. I knew the condition of Mr. Delano's health for the year past, and knew that it was considered by the doctors to be dangerous. I also knew the anxiety of his father as to his state of health. I said to Dr. Reed that I did not interfere with him or with any other surveyor-general in the matter of letting contracts in advance, but that now that John Delano was no longer connected with the Interior Department, but was a private citizen, I saw no reason why, if he wished to do so, he should not let a contract to him the same as to anybody else, if he united him with a practical surveyor who could perform the service, and that if he saw proper to let such a contract, using John Delano's name, and having him participate in the execution of the contract, that I would not object to it, but would approve it. But I told him at the same time that I would not approve any secret arrangement for John Delano's benefit, where he was not to participate in the thing.

Q. If you had known that Mr. John Delano wrote to Dr. Reed a letter in which he requested the doctor to omit his name from the contract and to insert the name of another party who was also not a practical surveyor, would you have approved that contract?—A. No, sir; I should have said the doctor ought not to have let a contract in that way.

Q. Did you have any conversation with the Secretary of the Interior about his son going into the Territory to do surveying?—A. After this conversation with Dr. Reed I thought the matter over, and came to the conclusion that perhaps, as he was the Secretary's son, the Secretary might object to his having anything to do with the contract, publicly or privately. I went to the Secretary and stated what Dr. Reed had proposed, and what I had told him. I told him that I thought inasmuch as he was his son, and that he (the Secretary) was the head of the office, it was my duty as chief of the Land-Office to state the facts to him. I told him I could not see any impropriety in making an open transaction of the kind, but I thought after reflection it was my duty to name it to him. He expressed himself as thankful for the interest we had taken in John Delano, but at the time objected to any such arrangement, and I never talked with him afterward. He would not approve it at that time and I never spoke to him again about it, and never had anything further to do with it nor heard of it again.

Q. You left the Land-Office before the contract was to be let?—A. Yes, sir.

Q. Who was your successor?—A. Mr. Burdette.

Q. Is he the present Commissioner?—A. Yes, sir.

By Mr. REED:

Q. If I mistake not, you were asked the question if both deputies were bound to appear on the field of survey?—A. They are not bound to appear by the regulations of the Land-Office; I was only stating what the purport of our conversation was. The purport was that John Delano was to go out and accompany the party, and to camp out with it during the summer. That was the idea. And according to the regulations of the Land-Office a contract might be let to two men, one of whom might execute it in the field, although the other was not required to go.

Q. There was some regulation of your Department at one time that one might not go to the field at all, was there not?—A. Yes, sir; that was the regulation of 1864, to which I have called the attention of the committee. It was provided that if both did not participate in the contract, the one who did should take the oath as to the execution of the work. It recognized the fact that there might be a contract with two parties, one of whom was not to be personally present at the execution of the work.

Q. The practical man to go to the field?—A. Yes, sir; as I said a while ago, I suppose that grew out of the necessity of having one man connected with the contract who was financially responsible.

By the CHAIRMAN:

Q. That man, of course, was required to give the bond?—A. Yes, sir; both parties were required to give bond to execute the contract, but one of them, according to the regulations that then existed, need not go into the field. I never approved any contracts unless the parties all appeared in it, during the time I was Commissioner of the Land-Office; that is, I never knowingly approved any such.

By Mr. REED:

Q. Did it make any difference as to the validity of the contract or the interest of the Government whether both those names appeared in that contract?—A. No, sir; the Government could only look to the man who appeared; the Government would have nothing to do at all with the outside party. For instance, you spoke of a contract with John Delano and Mr. Hammond; now, so far as that contract was concerned, the Land-Office could only treat it as a contract with Mr. Hammond, and pay Mr. Hammond, and they would have nothing to do with John Delano.

Q. Did the Government suffer any wrong, by means of John Delano's name not getting into that contract?—A. If the work was executed correctly there was no loss to the Government.

Q. Can you recall to mind the fact which existed in your Department, that Mr. Medary was given a contract in partnership with one of the Downers in June, 1873, by Dr. Latham, my predecessor?—A. I have no recollection of it. I have no doubt but that appears on the records of the Land-Office, but when you come to call upon me for my recollection, I have no recollection of these different contracts. There were hundreds and hundreds of them let every year, and of course I, having supervision of the work with 200 clerks, could not look into these details and charge my mind with them. I could only lay down general regulations which governed the clerks, and required them to work up to those regulations. If I found a clerk not so doing I dismissed him. I have no particular recollection of that contract. But if it was let early in 1873 it must have been let by Dr. Latham. He was surveyor-general in the spring, up to July or August; I do not remember which.

Q. If Mr. Delano wrote a letter which was received at my office about the 30th May, 1874, stating that he could not reach there, and requested me to use another name in the contract in his stead, you know, I suppose, that I could not do that under the regulations of the office?—A. No, sir; you could not do that, because the man had to be there to execute the contract, and take the oath.

Q. If I did not do that, and Hammond was permitted to go on with his contract in the

field, and survey, and return, and hand over to Mr. Delano half of the profit of the contract, half of which was his (Hammond's) and half Mr. Delano's, and he did hand over such half, who was harmed in that transaction?—A. I should say Hammond was the only man who was harmed.

Q. If he did it voluntarily, how would it be then?—A. It was simply a diminution of the profit from his contract. It was not anything that the Government suffered if he executed the work according to the contract, but if he paid John Delano one-half of the profit, of course his profits were diminished to that extent.

Q. Do you esteem that a hardship to an old deputy of several years standing, especially if he did it voluntarily?—A. My idea about a contract is that all the parties ought to be connected with its execution; but if I voluntarily enter into an arrangement with a man to advance money toward an outfit, and I am to account to him for a part of the proceeds, or to pay him an enormous rate of interest, that that is a transaction between ourselves. I have been informed that deputies sometimes paid three and four per cent. a month for interest out in the Western States, and that they sometimes gave the party to advance money a certain proportion of the proceeds, but those are things that I knew nothing about. I do not consider that connected at all with the contract with the Government. The only contract that the Government knows is with the party who appears on the papers.

Q. But if old deputies, long in the field, who had made it a business for several years and profited by it, saw fit to take an outside man in with them, and did so voluntarily, dividing with such man some of their profits on a certain occasion, is the surveyor-general to be censured for not interfering?—A. If the surveyor-general is not a party to it, he is not liable to censure, because that is a matter of private transaction between individuals, that he is not presumed to know anything about.

Q. Would he be considered a party unless he exacted it and made a compulsory matter of it?—A. No, sir; unless he exacted it of his deputy, he could not be considered a party to it. As I have said before, if after this transaction grew up in this way, you held the contract for the purpose of having it executed by John Delano, as long as you could, and then returned it to the Land-Office for approval; after that all you had to do was to treat Mr. Hammond as the contractor, and if you did not interfere and dictate a division of the spoils, I should not hold you at all censurable.

Q. If Mr. Hammond, on leaving for the field, drew on Mr. Delano for his quota of money necessary to be advanced to go to the field, that would make the case between them still stronger, would it not?—A. Yes, sir; of course, as between them, that would create an equity which Mr. Hammond could respect if he saw proper.

By the CHAIRMAN:

Q. What are the prices for surveying township division-lines?—A. They vary in different Territories and different States.

Q. What was the maximum in Wyoming, if you remember?—A. I think it was about \$10 a mile.

Q. And it ran down about how low?—A. I do not remember whether it was \$7 or \$8; it depends altogether on the nature of the country.

Q. I know that prices vary in different Territories, but was not \$10 the maximum for division-lines in Wyoming?—A. I do not remember that.

Q. Taking it for granted that \$10 was the maximum, did you approve all contracts for the maximum price where there were different prices for division-lines of townships?—A. I had to leave that to the discretion of the surveyor-general. I could not tell anything about the ground that was to be surveyed.

Q. The surveyor-general could let the contract at the best price he could have the work done for the best interests of the Government, and that was his duty, was it not?—A. Yes, sir; it was for him to determine what the prices should be.

Q. Suppose that Mr. Hammond had agreed to survey these division-lines for \$7 a mile, provided he was to receive all profits or all the money on the contract, and that Dr. Reed gave him the contract at \$10 per mile, provided he would divide equally all profits with John Delano, was anybody hurt by that transaction?—A. Yes, sir; the Government would be hurt by it to the extent of \$3 per mile.

Q. If Mr. John Delano could realize \$1,400 profit out of one contract, it is very likely that Mr. Hammond could have surveyed that contract, had he been permitted to retain all of the profits himself, for a lower sum than \$10 a mile, is it not?—A. It would be very difficult to determine, in advance, in a country like that, exactly what a man could do. They have to take surveys somewhat on speculation; a man sometimes goes out, and, taking a series of townships, makes a very fine profit. Then, again, the same man will go out and take a contract at the same amount and either lose money or make very slight profit, owing to the variation of the ground, the gulches, inequalities, &c. Hence the contract is generally let with a view to close drawbacks. If a man happens to get smooth ground, he makes a very fine profit out of the contract; if he happens to get rough ground he sometimes loses, or perhaps just clears himself. I have known deputies who have made nothing during a whole season's work, and others on a contract of the same size would make a very fine profit, striking a smooth piece of ground.

Q. You have no means of knowing at the time contracts are sent you for approval what the condition of the land is?—A. No, sir; and it is hardly ever known at the surveyor-general's office. If the surveyor-general happens to travel over a piece of land, he knows what it is, but generally these surveys are made at remote distances from the office, and in fields which have not been fully explored.

Q. Do you know whether it was customary in all the Territories for surveyors-general to let contracts at the maximum price?—A. Yes, sir; they generally did it.

Mr. REED. There is no other price; there is only one price stated for each kind of work.

Mr. DRUMMOND. I will state that it was the general practice of surveyors to let contracts for the price fixed by Congress.

Mr. REED. There is but one price stated by Congress for each kind of work.

Mr. DRUMMOND. I can see how Mr. Mutchler gets the idea of maximum price. The acts of Congress say not exceeding \$10 per mile, so that there may be a lower price at the discretion of the surveyor-general.

The CHAIRMAN. And also at the discretion of the contractor. If he goes into the office and says he will make a contract to survey at \$5 a mile, it is the duty of the surveyor-general to let him a contract at that rate.

Mr. DRUMMOND. That could be done if you could get honest and responsible men to do it at a low rate, but sometimes these parties would bid low for the purpose of executing their work imperfectly in the field, and the lower rate would not therefore pay. That practice has been tried.

The CHAIRMAN. It is only reasonable to suppose that Hammond would have executed this work for less than \$10 a mile, when we know that he agreed to divide the profits equally with John Delano, a man whom he never saw and with whom of course he never conversed, but with whom the arrangement was made simply at the suggestion of the surveyor-general.

Mr. DRUMMOND. I suppose that if he had got all the profits he could have afforded to take it at a little less sum of course.

By Mr. REED:

Q. Can you figure to your mind what state of things would be produced in the department of the surveyor-general if he attempted to give a portion of his deputy's work at \$10 a mile, and another portion of work at \$7 a mile?—A. It could not be done unless there was a clear, well-defined distinction between the tracts of country that were to be surveyed. For instance, if you were letting a man a plain known to be a plain, and letting at the same time to another man a tract of country known to be mountainous and full of gulches, there you could draw a distinction, but, as I have heretofore stated to the chairman, these things are not generally known in advance. It is only after survey that the character of the country is determined, and consequently in letting contracts you have to let them all alike.

Q. Do you suppose that a surveyor-general could get along without a mutiny among his deputies if he gave contracts at one price to one and at another price to another?—A. No, sir; not unless there were well-defined distinctions in the character of the country. For instance, in Oregon that is done. Take a heavily-timbered district, and there they get a higher rate per mile. Take a prairie or plain, there they get a lower rate, but it is equally acceptable and creates no difficulty, because one man makes as much money as another, and in fact more, because the man who works on the plain, although he has a lower rate, has a better contract.

Q. If this work, in which Mr. Delano was interested, was 400 miles by railroad away from my office, as I can show that it is, was it the duty of the surveyor-general to go out there, hunt over that ground, and pick out the best of it, and put it at \$7 a mile?—A. No, sir; it was your duty to let the contract according to the law, and let the deputies run their chances.

Q. Do you know of a single contract ever coming to the Department from those Territories let at less rate than is stated in the law?—A. No, sir; I do not know of one, nor do I remember one. As I have stated heretofore, it is the uniform practice of the surveyor-general to let the contract at the price fixed by Congress.

By the CHAIRMAN:

Q. That is, you mean by that, at the maximum price fixed by Congress?—A. Yes, sir; at the maximum price. I have stated heretofore that the Government did not lose anything by the operation of this special contract in question, for the reason that the contract would have been let at the same price in any event to somebody else.

Mr. REED. Yes; I esteemed it nobody's business, and it was not anybody's business.

By the CHAIRMAN [to Mr. Drummond:]

Q. Do you consider that it is an honest transaction for the surveyor-general of a Territory to let a contract to a person who gives no bond, signs no contract, takes no oath, who does not even come into the Territory, and who never saw the ground which he was to survey, at the maximum price, in order that he may participate in the profits, without ever rendering any service?—A. No, sir; I have stated that I would not have approved any such transaction as that, and would not approve it now.

Q. Is it not in your judgment a violation of the law?—A. It is a violation of the spirit of the law, undoubtedly, or rather of the letter of the law, if not of the spirit.

Q. It is not an honest transaction, is it?—A. I should not say that it was a correct transaction to farm out a contract for the benefit of a party who was not connected with it.

Q. If Mr. Hammond or any other practical surveyor was willing to accept a contract, with the understanding that he was to divide one-half of the profits with a man who had rendered him no service and could render him no service, and take none of the responsibilities connected with the contract, is it not altogether likely that Mr. Hammond would have surveyed that ground at a lower rate than the maximum fixed by law?—A. That may be so.

Q. And if he would have done so, then the money that the silent partner received was money taken out of the United States Treasury, to which he and no other person had any right. Is not that the fact?—A. If an arrangement was made by which one man was to take a contract in his name and execute it for the benefit of another who did not participate in it, or furnish anything or connect himself with it, then I would say that the Government might suffer, and that it was an improper transaction; but, coming back to the doctor's question as he presented it to me, according to my understanding, his arrangement was that John Delano should go into this contract and execute it; and that he entered into the arrangement with Mr. Hammond on that basis and on no other. That is the reason I answered the question as I did. But if Mr. Reed had entered into an arrangement by which he was to let a contract to Hammond for John Delano's benefit, with the understanding that John Delano was never to come to the Territory, never to execute the contract, or participate in it in any way, then I would say that that was an improper transaction.

Q. And that the Government would suffer for it, would it not?—A. Yes, sir; but that is not the transaction I understood from Dr. Reed's question. As I understood him, he arranged to let this contract to John Delano and Hammond, and they were both to unite in it and participate in its execution.

Mr. REED. Yes; but I explained to you that after waiting for some weeks for him to get there, he did not come; that Hammond could not stay longer at Cheyenne with his hands hired; that he was obliged to go; that he drew on John Delano for money, and that Mr. Delano participated to the extent to which he asked him for such money.

The WITNESS. I answered you by saying, in that transaction you acted correctly in sending that contract to the Government for approval, and that after that you had nothing to do except to recognize it as a contract with Hammond, and if you did not dictate a division of the spoils with John Delano, there was no impropriety about it.

Mr. REED. That has not been shown and cannot be shown; but let me understand one point more. You have been asked if it was not a dishonest transaction to let any other deputy come in and take a portion—

A. [Interrupting.] No, sir; I do not understand that I have been asked that. The question was this: that if you had made an arrangement to let the contract to Hammond, for instance, with the secret understanding that John Delano or any other man who did not reside in the Territory, but who resided perhaps a thousand miles away, was to participate in the profits without appearing in connection with the contract, or executing it, or doing anything about it, if it was not a dishonest transaction? My reply was that I would consider that an incorrect transaction, and it would not be proper to do it.

Mr. REED. Is that a parallel case with anything in hand?

Mr. DRUMMOND. That is a case which Mr. Mutchler puts to me as a case made up in his own mind.

The CHAIRMAN. The evidence makes such a case.

By Mr. REED:

Q. Mr. Hammond drawing on Delano for money before he went to the field, and receiving all the money that he requested from Mr. Delano, would that not affect or change the case in your opinion?

Mr. DRUMMOND. As I have said, that created an equity between John Delano and Mr. Hammond as individuals outside of the Government. That is a matter for adjustment between them, and with which you as surveyor-general had nothing to do.

By Mr. REED:

Q. If I made no interference in the matter, it was proper for Mr. Hammond to carry out his voluntary arrangement with Mr. Delano, was it not?—A. Yes, sir; it was proper for him to do so, if he wanted to do so, or proper for him to repudiate it if he desired.

By the CHAIRMAN:

Q. That is, if Mr. Hammond ever had a voluntary arrangement with Mr. Delano?

Mr. DRUMMOND. Yes; but that I do not know anything about.

Mr. REED. It has not been shown to the contrary.

The CHAIRMAN. As I understand it, it has been shown that Delano and Hammond never had any communication, and never met.

STEPHEN J. DALLAS sworn and examined.

By Mr. REED :

Q. State what that book is, [handing book to witness.]—A. That is a manual of surveying instructions, prepared under the act of Congress to reduce the expenses of the survey and sale of the public lands of the United States, which was passed May 30, 1862. That act validated the manual of surveying instructions issued by the General Land-Office as law, requiring that each contract entered into by the surveyor-general should be based upon the requirements in the manual of surveying instructions, and make a part of the contract of the parties to perform the duties as required in the manual of surveying instructions.

By the CHAIRMAN :

Q. What is your present position?—A. I am now filling the position of principal clerk of surveys in the Interior Department.

Q. How long have you held that position?—A. About fourteen years.

Q. What are your duties as principal clerk of surveys?—A. To instruct surveyors-general under the laws passed by Congress for the surveying of public lands, receive returns of surveys, and examine the contracts entered into by surveyors-general with their deputies. When the work is returned to the surveyor-general and approved by him, that work is sent to the General Land-Office, and my duty is to examine whether it is well performed in accordance with the laws and with the instructions of the Commissioner of the General Land-Office as contained in that manual; also to attend to the liquidation of the payment of the accounts of the deputy surveyors who perform their work. The Commissioner of the General Land-Office certifies to the First Comptroller of the Treasury all those accounts.

By Mr. REED :

Q. Does this printed manual of surveyors' instructions set forth a complete system of instructions to the deputy surveyors as well as to the surveyors-general?—A. Yes, sir; up to a certain period. It was prepared and continued in force until May 30, 1862, when additional instructions, under date of June 1, 1864, were issued under new additional laws which were not provided for in the original manual of surveying instructions.

Q. Are those contained in your supplement?—A. Not everything. The old instructions did not provide for such requirements as the subsequent laws passed by Congress. Then this manual of surveying instructions was issued in 1864. The provisions therein are different, regulating all duties under the new law. The Commissioner of the General Land-Office was required to approve each contract, which had not been the case heretofore. Surveyors-general entered into contracts, but they had to send them to the Commissioner for him to approve or reject. It provided also that one deputy might get a contract, or two deputies join in a contract. One might survey and the other might not; the one surveying to swear to the field-notes. There is another provision that joint contractors, both going to the field and both surveying, shall swear to the parts of the work which each have performed, swearing that they have performed such work in accordance with the instructions contained in their contract. There is also another provision that in the joint contract one may be a moneyed man and advance the money merely; the other to execute the work in the field. Whoever executes the work has to make affidavit to the field-notes of the survey, which he returns to the surveyor-general, that he has performed the work in accordance with the contract. That is the addition which did not exist in the original manual of surveying instructions.

Q. If two deputies go into the field under a contract, and both survey, it is understood and expected that each of those deputies will have a separate company of men and a separate compass?—A. Yes, sir; and each man must make affidavit to his own work.

Q. I understand you to say that this printed manual of instructions to deputy surveyors contains a complete system of instructions to the deputy surveyor as to how he shall do everything in regard to his work?—A. Exactly—as to how he is to measure, how he is to run the lines; how he has got to mark the corners. It is all prescribed, not at random, jumping here and there, but the form which he is to follow is distinctly pointed out.

Q. In his oath to the contract the deputy is required to swear that he will follow all instructions contained in this manual of surveying, is he not?—A. Yes, sir; before he gets a contract he has to make affidavit that he will perform the duties in accordance with the law and instructions; and then, when he returns his work, he also has to swear, as the law requires, that he has performed those duties in accordance with the law and instructions; so that there are two affidavits needed—the first one before he goes into the field, and then when he returns, swearing that those are the original field-notes, and that they were executed in accordance with the manual of surveying instructions and special instructions, if any, from the surveyor-general. But those instructions of the surveyor-general must be in accordance with the law. The surveyor-general cannot give instructions which are not legal.

Q. When I was surveyor-general in Wyoming I issued nearly one hundred contracts. All those contracts came to the General Land-Office, did they not?—A. Yes, sir; every

one of them had to come to the General Land-Office, or it was no contract. It is not binding unless the Commissioner of the General Land-Office approves what the surveyor-general of the Territory does.

Q. Were those contracts of mine all approved?—A. All were approved; there were about eighty-six or eighty-seven of them; some of them were made by your successor in 1873, I believe. Some seven or eight contracts were made by Dr. Latham, who was appointed in your place. The majority of the contracts, however, were entered into by you and submitted to the Commissioner of the General Land-Office; they were examined by myself and assistants to see whether they were within the means appropriated for a particular surveying-district; whether they were in accordance with the per-mileage that was allowed, and whether they were in all other respects in accordance with law. The Commissioner then approved the contracts.

Q. You and your clerks are very familiar, of course, with all the contracts I made in Wyoming. State as to the character of the work returned to you under those contracts, the field-notes, plats, &c.—A. Your surveys in Wyoming Territory, which was organized in 1870, you being yourself an old surveyor, favorably known, were very satisfactory. We had no difficulty whatever with the contracts under you; everything was done in nice style, returns made, protracted in excellent taste, and very few irregularities discovered, those being clerical errors easily remedied. That was so, with the exception of one case, which was the case of Poland and another man named Cayton.

Mr. REED. That was not my contract.

The WITNESS. No; that was not yours. It was your successor's, Dr. Latham's; it was brought to light by you that they were deficient in some respects.

Q. It was improperly surveyed?—A. Yes, sir; that is, the mounds and posts were not of the proper size. You went to the field yourself to correct that, and the Government afterwards paid for it. You yourself have always manifested good judgment in the selection of your deputies, in my estimation, and we have never found anything objectionable.

Q. Could you judge from the accuracy and character of the field-notes and plats of the surveys, whether I had a competent set of deputies?—A. Yes, sir; we never found any trouble as we did in other districts. All the records passed under my supervision before the Commissioner signed any letters or gave instructions. No objection was raised to your work, and nothing was found that was either fraudulent or irregular.

Q. Or incorrect?—A. Or incorrect; in all cases where you doubted whether you could approve the surveys, or doubted as to the proper way of carrying on surveying, you have applied to the Commissioner of the General Land-Office, and he has given you the proper instructions for the performance of the business.

Q. Do you remember in the case of the first or second contract I gave out in Wyoming to an old, experienced deputy, that I had a year or two of trouble in correcting it?—A. That was the case of Cook. I recollect that you sought instructions from the office.

Q. I sought instructions frequently, did I not, in this case?—A. Yes, sir; he was surveying in the western part of your district.

Q. Do you know T. B. Medary, deputy surveyor?—A. Yes, sir; he was deputy surveyor in Wyoming. He had contracts there in 1873, '4, or '5.

Q. Have you ever seen him?—A. Yes, sir; I saw him when he made returns. He was deputy surveyor, also, in Dakota Territory. He had a contract for surveying the Indian reservation. The contract was entered into by the Commissioner of the General Land-Office for Indian surveys, by direction of the Secretary of the Interior. He made returns in person to the office. We had to examine those surveys ourselves, and the Commissioner approved them, and not the surveyor-general, for the reason that they were Indian surveys.

Q. What is your belief as to his fitness or competency as a deputy surveyor, judging from his work and from your personal observation?—A. I was not sufficiently familiar with him to judge. He was quite an intelligent man. I do not know what his mathematical attainments were, or his education, but he looks a man of intelligence and education, and made a very good survey.

Q. Did you have any occasion to find fault with his surveys in the matter of the contract that I gave him?—A. No; I forget now whether you entered into a contract with him or Mr. Latham.

Q. Do you know Fowler and Farringer as surveyors?—A. Yes, sir; Farringer is an old surveyor, who has been in Colorado Territory, surveying, probably for five or six years. He had several contracts. He had a joint contract one time with Fowler. He also had a contract with you. Fowler and Farringer had contracts in Wyoming.

Q. Look over your record and state if you observe a contract from me to Fowler and Farringer in the summer of 1874.—A. I find that he had a contract with you July 24, 1874.

Q. What was the liability?—A. \$4,200.

Q. Under what appropriation was that?—A. Under an appropriation of \$40,000, act of Congress June 23, 1874, for surveys in Wyoming.

Q. Both their names were in the contract, which was a mutual contract, was it not?—A. Yes, sir; it was a joint contract.

Q. Have you any recollection of the character of their work as returned to your office?—A. It passed without any difficulty, but I could not say whether they did any better than anybody else.

By the CHAIRMAN :

Q. Is that the only contract Farringer had in Wyoming?—A. Yes, sir. He had two in Colorado, the next surveying-district.

By Dr. REED :

Q. Do you find a contract among your records made to Medary and Downey in June, 1873? And if so, state by whom that was made with them.—A. I recollect that was by Latham, under an appropriation of \$50,000, act of March 3, 1873. The amount was \$4,300. It was under date of June 17, 1873. The number of the contract is 49.

Q. To whom was contract No. 50 given that season?—A. Contract No. 50, under the same appropriation, was given to M. N. Grant.

Q. What is the amount?—A. \$4,800.

Q. Who was that given by?—A. By Dr. Latham.

Q. You have stated that the Commissioner approves all the contracts?—A. Yes, sir; or the Acting Commissioner, under the law.

Q. Do you know of any law or departmental regulation that prohibits the surveyor-general from giving a contract for surveying to his own nephew?—A. No; there is no law, but there was a circular issued by the Commissioner of the General Land-Office in 1867, I think, prohibiting surveyor-generals from entering into contracts with their immediate relatives.

Q. Do you mean sons or brothers?—A. Sons, and persons in the same family. That was on the principle that the surveyor-general might be biased in approving the work of his son, while he would not be likely to be biased if a stranger had a contract. There is, however, no law on the subject. It is merely for the good of the service.

Q. Is there any regulation prohibiting the employing of a nephew?—A. No, sir; we have never come across such a case. There was a case of a brother of a surveyor-general in Colorado, but the contract was not approved by the Commissioner.

Q. Is that, according to your recollection, as far as the regulation went?—A. Yes, sir; it referred to immediate relatives.

Q. Do you remember Charles J. Reed as having been a chief clerk for some years in my office?—A. Yes, sir.

Q. Do you remember of his surveying for my office?—A. Yes, sir; you gave him a contract for the survey of public lands; one or two or three contracts, I think.

Q. That is in late years?—A. Yes, sir.

Q. Do you recollect as to the character of work that he performed?—A. It was unobjectionable. No difficulty was found in his returns. In fact, surveys in Wyoming were unexceptionable, because the district was organized at a later period.

Q. By whom?—A. By Congress. You were the first appointed as surveyor-general. You were appointed from your familiarity with your business. You had been surveyor-general, many years ago, of Illinois and Missouri, and it contributed doubtless to that end, because you were known as a great disciplinarian, and sometimes bore pretty hard against the poor deputies. I noticed that anything that was then not in accordance with regulations you sent back into the field. That I gathered from correspondence with you.

Q. Do you understand that I inaugurated and executed those surveys from the start, in Wyoming?—A. You were the first surveyor-general. The duty of the principal clerk of surveys was to indicate and prepare instructions.

Q. There were no surveys in the Territory before I went there, were there?—A. No, sir. Thinking over that, however, a little prior to the establishment of the boundary between Wyoming and Colorado, surveys in Colorado proceeded northward and passed into what is now Wyoming, some few miles only, and into a few townships. Then when the boundary line was established astronomically, it cut certain townships which had been made in Colorado Territory; but not many surveys had been made before the organization of Wyoming Territory.

Q. Is it admissible with the Department to permit contracts by the surveyor-general to a man not familiar with surveying, providing he associates such a man with a competent surveyor?—A. No, sir; the rules and regulations require a man familiar with the system of surveying public lands.

Q. That is, in regard to the main deputies?—A. Yes, sir.

Q. But where you associate a partner sometimes, how is it?—A. Under the instructions of June 1, 1864, a man who is not familiar with the surveying system may be a joint contractor, but he is not permitted to dabble in the surveys if he does not understand them. Deputy surveyors are generally short of money, and cannot furnish supplies, &c. They find some man who has money, secure him by associating him in the same contract, so that he is indemnified. If the office knew that a man did not know anything about surveys, a contract would not be approved. Frequently we have to call on a surveyor-general as to what evidence he had as to the ability of a man. If that was not forthcoming, the survey was not approved by the Commissioner.

Q. I believe you rejected a survey of that kind in June, 1873, did you not?—A. Yes, sir.

Q. In that case neither of them had any knowledge of surveying?—A. That is the case, sir.

Q. But you never rejected where one was reputed as a good, competent deputy to go to the field?—A. No, sir; not if he could perform the work.

Q. How did my field and office work, and deputies, and everything connected with my office as surveyor-general, compare with those of other surveyor-generals of the mountain Territories?—A. Very favorably, sir. Everything that came from your office was in good shape. Field-notes were transcribed in very good style, and correctly. The township plats were protracted in a neat style, although it is not in all districts that the same can be said. There are some where the work is very poor. Artists cannot be obtained to represent the survey as neatly as yours have done.

Q. Look at contract No. 57 and state to whom it was given.—A. Medary and Grant.

Q. What was the date of it?—A. April 22, 1874.

By the CHAIRMAN:

Q. What Grant was that?—A. M. N. Grant. The amount was \$4,800.

Q. Under what appropriation was that made?—A. Act of March 3, 1873.

Q. Do you notice that, as a balance of an old appropriation of the summer before, there was no appropriation for that year then passed, was there?—A. Yes, sir.

Q. There had been no appropriation on the 22d of April for that year, had there?—A. No; but the appropriation was of March 3, 1873, the date of the contract being April 22, 1864.

Q. Now in regard to contract No. 59?—A. It was under the same appropriation of 1873, to C. J. Reed.

Q. Of what date?—A. May 12, 1874. The liability was \$1,800.

Q. Were Nos. 59 and 57 both made by me?—A. Yes, sir.

Q. Look at No. 58, and state to whom that was made.—A. H. G. Hay and George R. Thomas.

Q. What is the date?—A. May 2, 1874.

Q. What is the liability?—A. \$4,800.

Q. What appropriation was that under?—A. That was under an appropriation of \$20,000, March 3, 1873, for survey of vacated, abandoned military reservations; that was Fort Bridger. It was a large reservation, twenty miles by twenty-five, selected by the President for some years, and afterward it was reduced under the act of Congress.

Q. State now in regard to No. 60.—That was a contract of Rogers and Lampton, May 18, 1874; ability, \$3,700. That was for the military reservation under the special appropriation.

Q. State in regard to contract No. 62.—A. Sixty-two was of the same character, to J. Wesley Hammond.

Q. What is the date?—A. May, 20, 1874.

Q. State the liability.—A. \$2,900.

Q. Under what appropriation?—A. Out of the \$20,000 appropriation for abandoned military reservation.

Q. State in regard to contract No. 61. How much is the liability?—A. That is a contract to J. Wesley Hammond. It is dated May 23, 1874.

Q. What is the liability?—A. \$1,200. That, however, was paid out of the deposit of the Union Pacific Railroad, under the act of Congress, of money to have their land surveyed.

Q. Now state as to the contracts after the 1st of July, under the appropriation of 1874.—A. The contract No. 63 is chargeable to the appropriation June 23, 1874; it is dated July 1, 1874; it is in the name of Charles J. Reed.

Q. What is the liability?—A. \$3,000.

Q. Now as to No. 64; what is the date of that?—A. It is a contract of T. B. Medary, July 6, 1874.

Q. What is the liability?—A. \$3,400.

Q. What is the date of contract No. 65?—A. That is with M. N. Grant; it is dated July 6, 1874.

Q. What is the liability?—A. \$2,400.

Q. State now as to No. 66.—A. That is with Rogers and Lampton.

Q. What is the date?—A. July 9, 1874. The liability is \$6,000.

Q. State now in relation to No. 68.—A. That is with Fowler and Farringer.

Q. What is the date?—A. July 14, 1874.

Q. What is the liability?—A. \$4,200.

Q. State now in relation to No. 69.—A. That is with H. G. Hay.

Q. What is the date?—A. July 15, 1874.

Q. What is the liability?—A. \$3,000.

Q. State now in relation to No. 71.—A. That is with J. Wesley Hammond.

Q. What is the date?—A. August 14, 1874.

Q. What is the liability?—A. \$2,000.

Q. State now in relation to contract No. 72.—A. That is with Rogers and Lampton.

Q. What is the date?—A. August 14; the amount \$2,000.

Q. State now in relation to contract No. 73.—A. That is with Henry G. Hay.

Q. What is the date?—A. September 1, 1874.

Q. What is the liability?—A. \$2,100.

Q. State now in relation to No. 74.—A. That is with Charles J. Reed, dated September 1, 1874.

Q. What is the liability?—A. \$1,800.

Q. State now in relation to No. 75.—A. That is with John D. Thomas.

Q. What is the date?—A. September 1, 1874.

Q. What is the liability?—A. \$2,900.

Q. All these contracts that you have last referred to since we spoke of No. 63 are under the appropriation of June 23, 1874?—A. Yes, sir.

By the CHAIRMAN :

Q. I understand you to say that it is your duty, as principal clerk of surveys, to examine all the contracts as they come into the office, to see that they are in conformity with the law?—A. Yes, sir.

Q. And then, upon your recommendation, they are approved by the Commissioner of the Land-Office?—A. Yes, sir; I write an answer to the surveyor-general, and the Commissioner signs the letter of approval.

Q. What facts do you want to know in order to convince yourself that the contract which you are examining is in conformity with law? Do you gather all the facts from the face of the contract itself, or do you ascertain from outside evidence?—A. The intrinsic evidence of the survey, which we gather from the field-notes, showing where a man starts from, how he finds out the measures, &c., and seeing whether he is within the limits prescribed by the law.

Q. You misapprehend me. Is there a description of the land to be surveyed contained in the contract?—A. Yes, sir; by townships and ranges.

Q. That is all set forth in the contract?—A. O, yes.

Q. The person who takes a contract does not understand or know the ground, and never has been upon it?—A. No, sir.

Q. Then he does not know anything about the country that he is to survey, except what he gathers from the contract itself?—A. Yes, sir; and the instruction which he receives from the surveyor-general. The surveyor-general has to furnish him, under instructions from the General Land-Office, the descriptions of corners of the adjoining lands, and he is to identify them, &c., so that he may not start from a wrong corner and mix up the surveys.

Q. Do you require to know whether the person named in the contract is a skillful surveyor or not?—A. Yes, sir.

Q. How do you ascertain that?—A. We have the list of the surveyors who have been in the business since the commencement of the system. We have their names. Whenever we find that a man is a new man, then we call on the surveyor-general to give us the information as to whether he is a capable man, and what evidence he has as to his ability; and before a surveyor-general gives him a contract he examines him as to whether he is familiar with the system, and has proper qualifications.

Q. Suppose there are two contractors; do you then only require that one of them should be a skillful surveyor?—A. We direct them both to go if they are skillful.

Q. I say, suppose there are two contractors named in the contract; say they are both strangers to you; do you require information as to whether they are both surveyors or not?—A. Yes, sir.

Q. Suppose you should ascertain that one of them was a shoemaker and the other was a surveyor, would you approve the contract?—A. Yes, sir; we would approve the contract, but we would not take the affidavit of the shoemaker.

Q. Under what law would you approve the contract where one of the deputy surveyors is a shoemaker and not a surveyor?—A. Under the law of May 30, 1862.

Q. Where do you find that?—A. It is contained in the manual of surveying instructions.

Q. What do you understand by the term deputy surveyor?—A. He is sent by the principal surveyor.

Q. Then anybody can be a deputy surveyor?—A. If he proves his qualification to the surveyor-general, he can.

Q. Then it is necessary, in order to be a deputy surveyor, that he must be an actual surveyor?—A. O, yes.

Q. You do not comprehend by deputy surveyor a person who never saw or handled a compass, do you?—A. No, sir.

Q. Not any more than you would say a carpenter was a shoemaker?—A. No, sir; we would not give a contract to such a man.

Q. Then how do you construe that law and say that two deputies means two persons who know how to survey, when you now say that you mean one deputy who understands surveying; when you say two deputies, do you mean two men who can survey?—A. That means that both may be surveyors.

Q. Can a man who is not a surveyor be a deputy surveyor?—A. Yes, sir; if he is associated in a joint contract.

Q. By what law?—A. By the instructions of the Commissioner of the General Land-Office.

Q. By the instructions heretofore referred to by you?—A. Yes, sir.

Q. If I were to send to you to build your house a carpenter and a shoemaker, would it be proper for me to say to you that I sent you two carpenters?—A. No, sir.

Q. When I send you two deputies, when one is not a surveyor and the other is, is not that the same thing?—A. Yes, but there is a qualification there.

Q. It says, "When two deputies enter into joint contract for certain work, and only one of them goes into the field, then that one shall be required to take affidavit." Now, I want to know how you construe that instruction to mean that only one of the two shall be a surveyor and the other may be anything else but a surveyor?—A. He is a joint partner in the survey.

Q. But he is to be a deputy?—A. Yes, sir.

Q. You have already said that a deputy means a person who knows how to survey.—A. He would not be a deputy if he went there alone. But he is a partner. One furnishes the means and the other knowledge. It is admitted by the Commissioner of the General Land-Office, whose instructions under the act of May 30, 1862, are tantamount to law.

Q. State whether you admit that one deputy surveyor must be a skillful surveyor.—A. Yes, sir; or a contract could not be had at all.

Q. But if you attach one deputy surveyor and a shoemaker together, does that make two deputies?—A. The instructions make them deputies.

Q. Those instructions to which you have referred?—A. Yes, sir; those instructions make them deputies.

Q. Please point out to me where it makes a shoemaker a deputy when he is attached to a deputy.—A. Here it is: "If two deputies, joint parties in a contract, both go into the field, each on a separate survey with a party, the field-notes must show clearly the particular surveys done by each deputy."

Q. What do you mean by each deputy?—A. That is, if both are surveyors and understand the business, they may have two parties or both go. One may take a compass and run the line, and the other will take sketching—the topography of the country, for instance.

Q. Suppose the other is totally incompetent to do anything of the kind?—A. Then he does not do it.

Q. Is he then a deputy, in accordance with these instructions?—A. With these instructions he is regarded as a partner in the contract.

Q. That is to say, when one man who is not a surveyor goes in partnership with another who is a surveyor, then he becomes a surveyor under the law—under these instructions, according to your interpretation of them?—A. Yes, sir.

Q. And according to the interpretation of the Commissioner of the General Land-Office?—A. Yes, sir; and the instructions of the Commissioner of the General Land-Office are recognized as tantamount to law.

Q. It is a very nice arrangement to let to people who want to make money and not do any work.—A. Well, no; it was intended in this way: Deputies do not get any pay from the Government for some time. They have to wait from six to eight months, and the money has to be advanced. They have not got it. They find somebody who has got money, and say, "If you will loan it to me, I will repay you. I am going to the field. You may go or not. If you want to go, you can go as chainman or axman, or something of the kind, or not." One of the parties thus advances the money to enable the deputy to purchase provisions.

Q. Does the one who advances money to a deputy become a deputy?—A. Yes, sir; in the acceptance of the office-ruling.

Q. Then all that is necessary, in the acceptance of those instructions, is for a man to advance money to a deputy to become a deputy?—A. Yes, sir; but if both of them were without experience, of course we would not give a contract.

Q. Suppose that A obtains a contract from Dr. Reed; that he signs the contract, gives a bond and takes the oath, and that B advances him some money. B's name, however, does not appear in the contract, he does not give a bond or take an oath. Is B a deputy surveyor?—A. No, sir; the Commissioner would not approve such a contract.

Q. Why?—A. Because if he is no surveyor, he would not approve his contract in his name.

Q. You approved the contract of Mr. Hammond, did you not?—A. Yes, sir.

Q. Did you know that Mr. John Delano was associated with Mr. Hammond as a deputy when you approved it?—A. No, sir.

Q. Suppose that you had known that there was an understanding between Mr. Hammond and Dr. Reed that Mr. John Delano was to have one-half of the profits of that contract, would you have approved the Hammond contract?—A. No, sir; unless it was in the name of Hammond and Delano.

Q. It was not in the name of Hammond and Delano, however, was it?—A. No, sir.

Q. Would you have approved that contract if you had known in advance that Mr. John Delano was to receive one-half of the profits therefrom?—A. The contract would have been approved if we had known that Hammond was a good surveyor. He would survey, and swear to the field-notes. Delano might be a moneyed man or go in a subordinate capacity. Delano's name does not appear on the records. He has never been a surveyor.

Q. What is the maximum price per mile for surveying township-lines in Wyoming?—
A. \$14 per mile.

Q. What is the price of division-lines?—A. Subdivisions, \$10.

Q. These contracts of Mr. Hammond's were for subdivision-lines, I believe, were they not? Refer to the contract of \$2,900, and the contract of \$1,200.

Mr. REED. He had a good many township-lines besides, and also some timber.

The WITNESS. There were several contracts with Hammond; one was \$4,318.73.

By the CHAIRMAN:

Q. Did he not have two contracts in 1874?—A. Yes, sir; they were for subdivisional lines.

Q. Are the maximum prices \$10 a mile?—A. Yes, sir.

Q. Did you ever know Dr. Reed to let a contract for less than \$10 a mile for subdivisional lines?—A. No, sir; I do not remember it.

Q. Did you ever know him to let a contract for any other work for less than the maximum sum?—A. No, sir.

Q. Is there not a great deal of difference in the topography of the country in Wyoming?—
A. Yes, sir.

Q. Is there not a very material difference in some of the work which has to be done under the contracts?—A. Yes, sir.

Q. Could not some of the contract-work be done for a great deal less than others?—A. Certainly.

Q. And yet all the contracts were let at the maximum sum, were they not?—A. I think so; but some of the rates may be inadequate, especially in the case of those who have to go to a great distance.

Q. Has it been the practice in all the Territories to let all the contracts at the maximum sum?—A. No, sir.

Q. Some contracts are let for considerably less than the maximum sum, are they not?—
A. Very seldom; but there are instances of that kind. In former years, when Mr. Wilson was Commissioner of the General Land-Office, we have said to surveyors-general, "This is the maximum, but you must try to get contracts for less." In some instances they could, but in the majority of cases they said they could not.

Q. You never knew Dr. Reed to give a contract for less than the maximum price, did you?—A. No, sir; I could not say that I ever did.

Q. Suppose that you had known, after Dr. Reed's contracts came in, that there were other parties who were to receive profits from those contracts, who were not surveyors, and who were not in the Territory; would you have approved those contracts at the maximum sum? I mean, there being only one man named in the contract. If you knew that that one surveyor took the contract, and could only get it upon his agreement to divide the profits with a gentleman, who was not in the Territory and who took none of the responsibility, would you have approved that contract?—A. No, sir.

Q. If not, why not?—A. Because we require payment to be made to the man who performs the work. Direct payment is to be made to the person who is contracted with.

Q. Would you not, however, have come to the conclusion that if the man who does the work could afford to divide the profits of the work equally with a man who took no responsibility and did no work, that that work could have been done for a much less sum than was mentioned in the contract?—A. It is their own arrangement.

Q. Answer the question, if you please.—A. Certainly.

Q. Suppose that this contract, let to Mr. Hammond for \$2,900, was such a contract that \$1,400 could be paid to a man who took no responsibility and who did none of the work, would you have approved that contract?—A. If we had known it the Commissioner would not have approved it; but these things never come to us, they transpire at a great distance from the office.

Q. Then you never inquire what the contour of the country is which is to be surveyed before you approve the contract?—A. We do not know in that particular.

Q. You do not know whether it is prairie land or cleared land, or whether it is woods?—
A. Yes, sir.

Q. You approve all contracts as you receive them?—A. Yes, sir. Our system is this: Townships are placed in their proper places, but we do not know whether they reach certain mountains or rivers, and we do not know how much the surveys will cost.

Q. You have to depend on the surveyor-general for that information, have you not?—A. The surveyor-general does not know *that* either. He does not know whether there are lakes or mountains which cannot be surveyed. Of course we do not require him to spend public money on mountains, which are not fit for agricultural purposes. Frequently deficiencies occur, because a contract stipulates so many townships and so much money. Sometimes they exceed, and sometimes they fall short, which is owing to the want of knowledge of the topography of the country.

Q. Do you know why Dr. Reed received the office of surveyor-general of Wyoming Territory?—A. I do not. The political affairs do not come to me. They are attended to by the Commissioner and secretary of the General Land-Office, and the chief clerk. I only attend to the surveying business.

Q. Did you hear that there was any complaint lodged against Dr. Reed for permitting Mr. John Delano to share in the profits of contracts out there?—A. It was merely rumor. I did not hear it from any responsible person who knew it of himself. There was a rumor in regard to that.

Q. At the time he resigned, or before that?—A. I do not know. I believe it was afterward.

Q. If that rumor was true, then, it was considered contrary to the law and the instructions of the Department, was it not? That is, if he permitted other persons to share in the profits of contracts who took none of the responsibility and did none of the work. Mr. Delano was not in the contract. Mr. Hammond was given the contract. Now, suppose Mr. Hammond was given that contract with the understanding at the time that he received it that he must divide with Mr. John Delano. If that had been known to the Department, what would have been the result?—A. The Department would not have approved it.

Q. Nor would you as chief clerk of the contract-office have approved that contract?—A. No, sir.

Q. For the reason that you would have thought that was in violation of law, would you not?—A. Well, I do not know that. If a man performs work and gets pay, and if he divides or gives away his earnings, of course that would not weigh with us.

Q. And suppose that when he is given a contract he is given to understand by the surveyor-general that he must divide with a man whom he never saw. How would it be then; that occurring, too, with a man who would not sign the contract, take the oath, or give bond?—A. He could not be recognized, of course, as a deputy if he did not do one thing or the other.

Q. Would the action of the surveyor-general be approved by the Department in doing that?—A. Not if it was known; and such a thing has never been brought to our attention.

Q. Then you never knew at the Land-Office that Dr. Reed was assisting John Delano by allowing him contracts in that way?—A. No, sir; we never knew anything about it. As I say, such matters the Department may have known of, and the Commissioner may have known, and the chief clerk may have known, but they reserve to themselves all such questions in regard to political appointments. They did not communicate such things. I never knew up to this time who the man was that did the work with Mr. Delano.

Q. Do you know Mr. Medary to be a practical surveyor?—A. He was a deputy surveyor.

Q. Do you know whether he ever went in the field?—A. He has gone in the field, because he swore to the field-notes. That is all the evidence we have.

Q. Do you know whether the field-notes were made out in his handwriting or not?—A. No, sir; I do not know that. We get merely the transcript of the field-notes, and not the original. The original is filed in the surveyor-general's office, and the transcripts in our office.

Q. So far as your knowledge goes, you do not know whether Medary ever went into the field or not?—A. No, sir; I could not tell you that of my personal knowledge.

Q. You do not know but what the work was done by somebody else?—A. I do not.

Q. You do not know but what the profits of the survey were divided between Mr. Medary and somebody else, who was never in the Territory?—A. No, sir.

By Mr. REED:

Q. Do you know whether any of my deputies ever went into the field, of your own personal knowledge?—A. I do not know. We took it for granted that they did, because they swore to it, saying "I have performed the duties set down by the instructions, and these are the original field-notes of survey."

Q. Have you any doubt but what Mr. Medary and the others have surveyed their work?—A. No sir; I have never suspected any of them, but, of course, I could not say personally that they did.

Q. If three or four of my deputy surveyors took, say, \$5,000 worth of work to execute for themselves, and that much for Mr. Delano—say the two parties have that much work; it so happens that when these contracts are to be made out, the deputies taking their portion and taking Mr. Delano's portion with it, and he not getting there to sign the contract with them, but they signing the contract, they being my deputies; suppose that they go to the field, that some of them draw on him for advance-money for the outfit, and that they voluntarily arrange to work up that survey and give him a portion of the profits, I ask you if that is any business of the Department?—A. No; we do not know of any such arrangement. We deal with the man in whose name the contract is entered into, and when the work is returned and passes examination they are paid. If they squander their means and give it to somebody else, we pay them only for so much work performed, and no more.

Q. In the Hammond case he took a contract for \$4,100; Mr. Delano was to be with him in half of that; Delano does not get there, for certain important reasons, to sign the contract before Mr. Hammond is obliged to start to the field; Mr. Hammond gets restive and says he will go forward—he will sign the contract, get the bond, go on, leave the contract blank for his (Delano's) name, and the bond blank for him to sign and swear to, if he arrives, and if he does not arrive he will survey that work; in the mean time, before I start, I will draw a draft on him (Delano) for his half of the money needed to get to the field with—say he

does that—and Mr. Delano fails to arrive and sign that contract; Hammond surveys the land, and keeps an account of all his expenditures, the cost of his hands, his railroad-fares, &c.; he charges for half of that work, and for half of that time he charges for his services at \$125 a month; he takes that all out before any profits are divided; he allows for the money which has been advanced to him before the profits are divided—now, I ask you if Mr. Hammond has not a right to do just what he pleases with that half of the profit?—A. All the profits are his.

Q. And he may do what he pleases with them?—A. Yes, sir.

Q. Where would your Department have any right to interfere with such a transaction as that? Does the Department, in fact, pretend to interfere in a case like that?—A. No, sir; because even if the Department had known that Mr. Delano or somebody else was in that relation, the Department goes on with the contract and pays no attention to the private arrangement.

By the CHAIRMAN:

Q. Do you say that if the Department had known that Mr. Delano had stood in that relation it would, nevertheless, have approved the contract?—A. No; not if the Department had known those circumstances.

Q. What would the Department have done?—A. It would have required the name of Mr. Delano to be inserted into the contract.

Q. Would they have approved the contract without the name of Mr. Delano?—A. Yes, sir; in the name of Hammond.

Q. If the Department had known that Mr. Delano was to realize one-half the profits of the contract, would they have approved that contract? Here you have the contract of Hammond with his name in, and the name of nobody else. You know at the same time that Mr. John Delano is to have one-half the profits of that contract. He has not signed the contract. Would you have approved it?—A. No.

Q. Why not?—A. Because John Delano is not a contractor.

By Mr. REED:

Q. But if his name is not in the contract how are you to know anything about it?—A. Of course we would not know anything about it.

Q. Did you ever hear of such an instance as the Department stepping in between private individuals in that way to interfere about an arrangement which a deputy might make with a private individual in relation to his contract?—A. No, sir. If the Department knew that a member of Congress was sharing in the profits of a contract or subcontract, of course that would be against the law, but they never will know it.

By the CHAIRMAN:

Q. Then it is all right, in your judgment, if the Department does not know it. The only thing that is wrong about the matter is when the Department knows it. Is that your judgment?—A. How can the Department condemn anybody?

Q. Answer my question, if you please. I want to know whether it is all right, in your judgment, for Mr. John Delano, or anybody else, who does no work and takes no responsibility, to share in the profits of a contract if the Department does not know it?—A. Certainly, if I were the contractor I would not like that at all.

By Mr. REED:

Q. You would not like what?—A. In my judgment I should consider that it was a hardship on the deputy to share the profits in such a case as that; but if the deputy is willing to dispose of his hard earnings in that manner, what can be done?

By the CHAIRMAN:

Q. If Mr. Hammond was willing to make a survey and take all the responsibility of the survey for a certain sum of money, and to give \$1,400 of that amount to John Delano or to anybody else, is it not very likely that Mr. Hammond would have surveyed that same quantity of land for \$1,400 less than he did?—A. He might.

Q. Would it not be very likely that he would do so?—A. Very likely.

Q. Would there not have been a saving to the Government, in that particular instance, of \$1,400?—A. Certainly.

Q. Then, did not Mr. John Delano get \$1,400 out of the Treasury of the United States that did not belong to him? If Mr. Hammond would have agreed to do that work for \$1,400 less than he did, but Dr. Reed gives him the extra \$1,400, provided he will give it to John Delano, that is taking \$1,400 out of the Treasury, which belongs to the Government, is it not, and giving it to a party who has no right to it?—A. This contract stipulates for a certain amount. Of course the Government must pay that. But if he had said he would perform it for less, that would have been a different matter. If I was a contractor myself and got my mileage, and somebody had assisted me pecuniarily, of course I would feel obliged to pay him.

Q. That is to say, if he had advanced you the sum of \$300 for a few months you would return him \$1,400?—A. O, no; I would not do that, of course.

By Dr. REED :

Q. You have answered upon the principle that a certain deputy is furnished by the surveyor-general with a certain amount of surveying, which is *his* surveying, or his work.—A. Yes, sir.

Q. You have taken it for granted, in your answer, that the surveyor-general *exacts* of that deputy to divide the profits of that work, which is his own work, with an outsider. You say that is not right, and the Department would not like it if they knew it. But that is not exactly the case. The half of the contract that he goes out to survey I give to him as *his* part, and the other part is Mr. Delano's. Mr. Delano could let him have half the survey to work out on shares, or let anybody have it at the same rates. If he (H.) takes it to survey on shares, and he receives the money for part of his outfit of the advance expenses, and there is no coercion or request about it, and it is all a voluntary matter which he does—when he finds that work is on hand to be surveyed on shares, as partners, whose business is it? Is he not required, after he has gone that far, to divide his profits in good faith, provided there is no coercion about it?—A. That is a private arrangement; but if the Commissioner knew that a certain survey could be executed for less than the contract called for, and knew, at the same time, that part of the money was to go to somebody else, and that he could execute it for less—of course, if that knowledge was in the Department they would not approve the contract.

Q. Do you know of any surveys being made in any of those mountainous Territories of Colorado, Montana, Wyoming, Utah, or New Mexico for less than the Government price per mile?—A. No, sir; on the contrary they asked for an increase, and we had to submit estimates to Congress for three years of augmented rates in those mountainous countries. The rates were increased to \$16 for subdivisions, although not everywhere. That was only the case in Colorado, Montana, and Wyoming, where the mountains and the abrupt country existed, and where the parties are far away from their base of supplies.

Q. What is the price now out in Wyoming and in other Territories for surveying timberlands?—A. For township-lines \$18, and for subdivisions \$16 and \$14, and the tendency is to pay the maximum rates which Congress prescribed.

Q. Was it expected that the surveyor-general should go out over the Territory to find a township here and a township there which could be surveyed for a little less than \$16 a mile?—A. No, sir.

Q. If a man's name is put into a contract, and he swears as a deputy surveyor in the surveyor-general's office, is he not considered a deputy surveyor, whether he is a practical surveyor or not?—A. Yes, sir; the office regards him as a deputy surveyor if his name is in the contract. We only look to the man who is the deputy to say that his work is properly returned.

Q. And in the case of a man not known to the office, and whom you do not know as a practical surveyor, if he is sworn as a deputy surveyor he is considered and called a deputy surveyor?—A. Yes, sir. But as I have said, sometimes one of them may not serve in the field; he may assist. He may be a chainman or an axman. The other, however, is to swear to the field-notes. One of them must be a practical field-surveyor to swear to the field-notes.

Q. Have you any means of knowing that young men without any knowledge of surveying are often thrust into contracts by politicians, members of Congress, and others?—A. I have heard of such cases, where they were merely attached as joint contractors.

Q. Have you ever known of any one, being attached as a friend of a politician, going into the field and receiving a part of the profits?—A. I cannot recall them now, although I have heard of such instances. The office, however, always looked to see who swore to the field-notes.

Q. The lines that the deputy is to survey are stated in the contract, are they not?—A. Yes, sir.

Q. The price per mile is also stated in the contract, is it not?—A. Yes, sir.

Q. Have you ever seen any prices stated in my contracts above the Government price?—A. No, sir; we would not have approved the contract if such had been the case.

Q. I think you said you did not know of surveys being let in mountain Territories, such as Colorado, Montana, New Mexico, and Utah, for less than Government prices, did you not?—A. It may be that in the execution of the surveys in Colorado there may have been cases of that kind, but I do not recall them now to my mind. Generally maximum rates are paid and the surveyor-general frequently urges an increase per mile, saying that the surveys cannot be executed, and that they are not able to get deputy surveyors to undertake the contract for Government prices. The plains have all been surveyed. The mountains are now approaching, together with the timber, and the surveyors want enhanced prices.

Q. Colorado extends into the plains a hundred and more miles farther east than Wyoming, does it not?—A. Yes, sir; Colorado, Kansas, and Nebraska are the easiest fields for working.

Q. There is very little of the plains in Wyoming, is there not?—A. Very little.

Q. You have been asked some questions about regulations, showing that a second man might go into a contract with an old deputy, the second man not being a practical surveyor.—A. We have no printed regulations referring to them.

Q. I ask you if the practice of the Department has not become a rule in that respect itself, even if it were not printed ; that is, in regard to permitting a second person to go into a contract, even if he is not an experienced man, provided he goes in with a good deputy?—A. That is the way they educate the surveyors of public lands. Nobody is born with a practical knowledge of the business. Some have to learn. When they understand the business they associate others with themselves, so that in like time they may be instructed.

Q. And the practice is to allow an intelligent man, if the surveyor-general recommend him, even if he has never surveyed? He may go in with an old surveyor?—A. Yes, sir. He, however, does not swear that he has performed the work.

Q. If there are two in the field, and one does not understand surveying, and does not survey, he does not swear to the notes?—A. No, sir.

Q. Did I understand you to say that if a deputy took work from an inexperienced man and united it with some work of his own, in a contract, and went out and surveyed that work and divided the profit, or a portion of it, with this inexperienced man who was not in the contract, that that would be objected to?—A. If it was known to the Commissioner of the General Land-Office, of course he would object to it.

Q. What right has he to interfere between a deputy and a man outside?—A. He does not interfere, and has no means of knowing.

Q. Where would be his right to interfere with a competent deputy surveyor who makes a contract, gives a good bond, and is known to the office, if he contemplated dividing some of the profits? What right has the Commissioner to interfere?—A. He would not interfere. But I was asked by the committee what would be the result in case the Commissioner of the General Land-Office knew that an inexperienced man was a contractor and was not named in the contract. Of course the Commissioner would not agree to that.

Adjourned.

INDEX.

	Page.
B. H. Bristow, Secretary of the Treasury	1, 3
Silas Reed, ex-surveyor-General of Wyoming Territory	4, 16
L. C. Stevens, real-estate agent at Cheyenne.....	22
John S. Delano, ex-chief clerk of the Interior Department.....	38
Willis Drummond, Ex-Commissioner of the General Land-Office.....	45
S. J. Dallas.....	53

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PATRICK H. JONES, LATE POSTMASTER OF NEW YORK CITY.

AUGUST 3, 1876.—Laid on the table and ordered to be printed.

Mr. COCHRANE, from the Committee on Claims, by unanimous consent, submitted the following

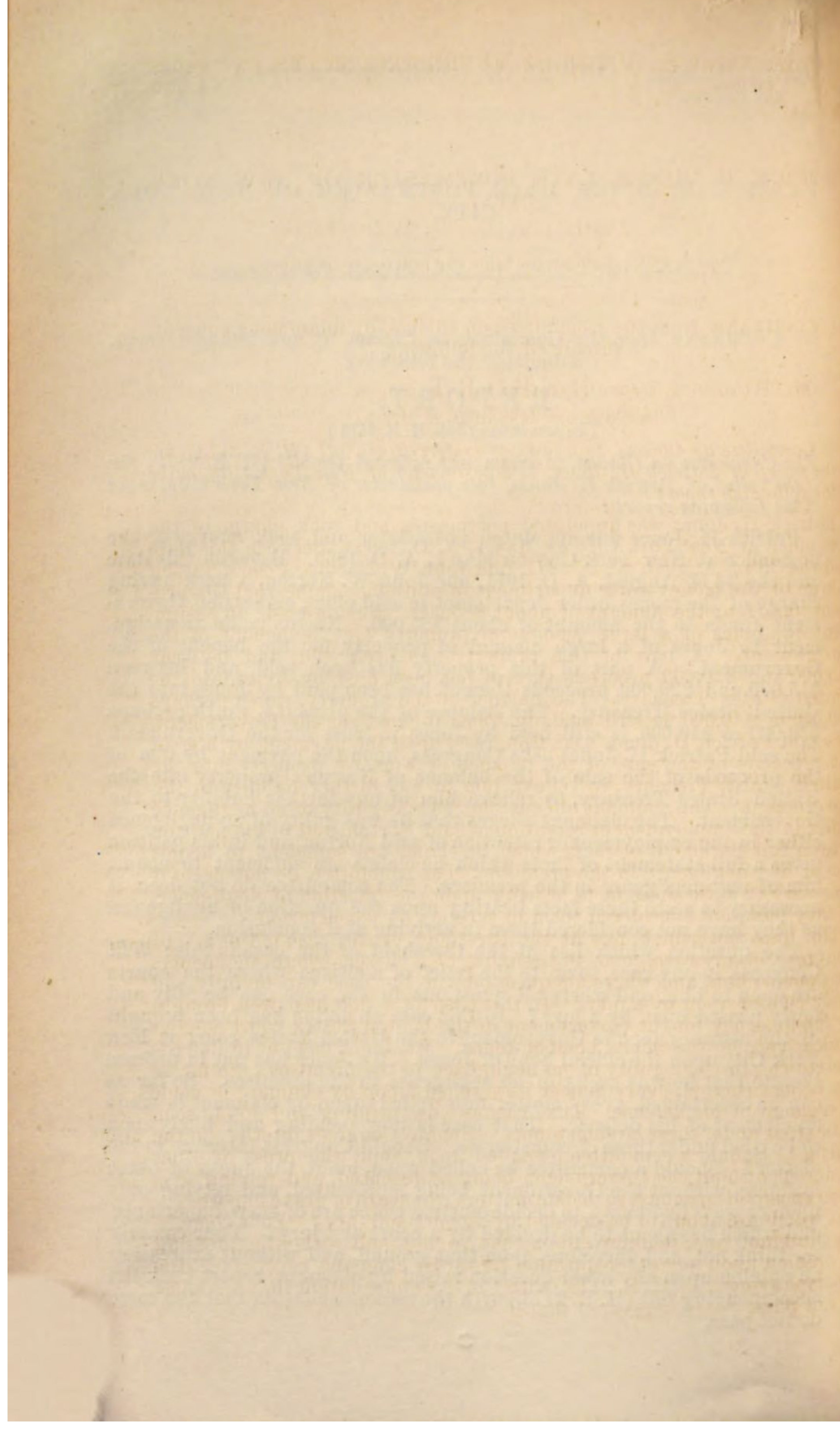
REPORT:

[To accompany bill H. R. 2173.]

The Committee on Claims, to whom was referred the bill (H. R. 2173) for the relief of Patrick H. Jones, late postmaster of New York City, make the following report :

Patrick H. Jones was appointed postmaster and took charge of the post-office at New York City on May 1, A. D. 1869. Between this date and the 3d of August, A. D. 1871, one John W. Norton, a clerk having charge of the money-order department in said office, embezzled Government funds to the amount of about \$85,000. Norton made an assignment to Jones of a large amount of property for the benefit of the Government. A part of this property has been sold, and between \$15,000 and \$20,000, proceeds thereof, has been paid by Jones into the United States Treasury. The balance of the property, worth perhaps \$30,000 or \$40,000, is still held by Jones in trust for the Government. The said Patrick H. Jones asks Congress, upon the payment by him of the proceeds of the sale of the balance of Norton's property into the United States Treasury, to relieve him of any further liability to the Government. The claimant alleges that he was guilty of no negligence either in the employment or retention of said Norton, and in his petition gives a full statement of facts which he claims are sufficient to acquit him of any negligence in the premises. The committee do not deem it necessary to state these facts bearing upon the question of negligence, as they have not considered them in arriving at a conclusion.

The question which lies at the threshold of the case is this: Will Congress, in any case, come to the relief of a citizen where the courts are open to him, and where all questions in the case can be fully and fairly passed upon by a jury? In this case an action has been brought by the attorney for the Government in the United States court at New York City upon the official bond of Jones. Mr. Jones has put in defense thereto that he was guilty of no negligence in the premises. So far as can be ascertained, every matter now relied upon by claimant is made an element of his defense. That case is now pending and likely soon to be tried under these circumstances. Should Congress interfere in the matter? Should a committee be called upon, amid the press of other business, without the Government being represented, and relying only upon *ex-parte* testimony, to decide matters which are of grave importance, and which are about to be decided by a court and jury? Your committee think not, and, therefore, upon that ground, and without expressing an opinion upon any other question raised by claimant, report back the accompanying bill, (H. R. 2173,) with the recommendation that the same do not pass.



CHICAGO PENSION-AGENCY.

AUGUST 4, 1876.—Laid on the table and ordered to be printed.
[Accompanied by H. Mis. Doc. 182.]

Mr. HURLBUT, from the Committee on Reform in the Civil Service, by unanimous consent, submitted the following

REPORT:

The Committee on Reform in the Civil Service, to whom was referred certain allegations in reference to the Chicago pension-agency, report back to the House the testimony taken and the conclusions to which the majority and minority of the committee have arrived, and ask that the testimony and the reports of the majority and minority be printed and laid upon the table.

[House Report No. 678.—Forty-fourth Congress, first session.]

JUNE 17, 1876.—Recommitted to the Committee on Reform in the Civil Service and ordered to be printed.

Mr. HURLBUT, from the Committee on Reform in the Civil Service, submitted the following report:

The Committee on Reform in the Civil Service have had under consideration certain matters relating to the pension-agency in Chicago, and beg leave to make the following report, and to ask the adoption of the resolutions:

Two cases of alleged wrong-doing have been presented to the committee, both referring to the pension-agency at Chicago, but differing in the elements of time and of parties.

The first presents a case of contract for influence to procure an appointment, and a valuable consideration agreed to, and paid and received, in relation to a public office.

The testimony before the committee establishes beyond a reasonable doubt that, in the year 1869, General B. J. Sweet, a distinguished officer, severely wounded in the war, now deceased, was a candidate for the office of pension-agent at Chicago; that George W. Campbell was also a candidate for the same office.

That J. Russell Jones, then marshal for the northern district of Illinois, and now collector of the port of Chicago, was the person principally relied on by Campbell to procure his nomination.

That the friends of General Sweet, especially Mr. Charles L. Wilson, of Chicago, sought to secure Mr. Jones's supposed powerful influence for Sweet.

That Jones suggested that if Sweet would appoint George W. Camp-

bell as chief clerk, at a salary of \$2,500 per annum, his influence could be secured for Sweet.

That Sweet accepted the offer, and was appointed pension-agent, and did in fact appoint George W. Campbell chief clerk, at the rate of \$2,500 per annum.

That such employment continued for nearly a year, Sweet paying and Campbell receiving pay at the rate named.

That at the end of about eleven months Sweet and Campbell made a new arrangement, by which Campbell was to receive \$1,500 per annum, and do no duty and perform no work in the office, but it is in evidence that Mr. Jones knew nothing of this last arrangement and was absent from the country. Mr. George W. Campbell's recollection about this, and especially as to the reasons for this singular arrangement, is exceedingly vague and unsatisfactory.

It is further in evidence that the sum of \$2,500 is exorbitantly high, if considered as wages, and that Mr. Campbell was of very slight use and advantage, if not a positive disadvantage, in the office, and it is fully proven that the chief clerk in the office only earned and received \$1,500 per annum.

This employment of George W. Campbell, or rather this tribute to him of \$1,500 a year without any corresponding services, continued until General Sweet was removed from office.

The evidence in support of these statements is contained in the depositions of Charles L. Wilson and George W. Campbell, as to the contract; and of M. B. Johnson and Miss Ada C. Sweet, as to the value of services and usual wages of a clerk in that office.

There can be no doubt whatever that this sum of \$2,500 per annum, although nominally for the hire of George W. Campbell as a clerk, was in truth and in fact the moving consideration, and the only consideration, for the transfer of the influence of Mr. J. R. Jones to the support of General Sweet.

Mr. George W. Campbell expressly so states the fact to be in his testimony, pages 41 and 42.

The second case is one of special cruelty and hardship, and develops a degree of criminal conspiracy to defraud and injure a young and innocent woman, which cannot fail to disgrace all the participants in the plot.

Miss Ada C. Sweet, orphan daughter of General B. J. Sweet, is the victim, and James H. Baker, then Commissioner of Pensions, now surveyor-general of Minnesota, and David Blakely, are the wrong-doers, and Mr. Benjamin H. Campbell, now marshal of the northern district of Illinois, appears to have been made a party to one portion of the plan, but without any conclusive evidence that he was cognizant of the character and extent of the frauds intended to be perpetrated.

In the early part of the year 1874, David Blakely was pension-agent at Chicago, having succeeded General Sweet. He was also editor and part proprietor of a newspaper in that city.

It is in evidence that, from losses caused by the great fire in that city and other causes, he was desperately involved, and in fact practically insolvent.

He had procured from Mr. Benjamin H. Campbell, and Mr. Bradley, clerk of the United States circuit court, a loan of their credit by an indorsement on his note for \$5,000, discounted in the National Bank of Illinois, in Chicago. This note he was unable to meet, and it was from time to time renewed, on payment of interest.

He appears to have made up his mind to withdraw from Chicago and seek new fields at Saint Paul. The only thing which appears at that

time to have held which he considered merchantable, was his position as pension-agent.

Miss Sweet, then a clerk in the internal-revenue office in Chicago, wished to obtain this place, and appears to have had the support of many good citizens, both on her own account and that of her dead father. General Sweet had died a poor man, and she was naturally anxious to do something for her family. The difficulty appears to have been to create the vacancy, as Mr. Blakely's term did not expire until April, 1875. She was familiar with the duties of the office, having been clerk for her father.

In March, 1874, Blakely proposes to her to create the vacancy by resigning, and to give all the influence he can muster to secure her appointment, on condition that she will devote all the earnings of the office above necessary expenses, and a small salary for herself during the first year, to the payment of the one among his many debts which he chose to consider a debt of honor.

Why he should have selected this particular debt for that pre-eminence does not appear, nor is it material, except to his other creditors.

This proposition he binds this young girl to consider as an exceeding personal favor to her, and compels her to secrecy, positively interdicting that she should communicate with or consult her friends on the subject.

Miss Sweet accepts the proposition with its accompanying obligation of secrecy, and evidently considered this man Blakely as her benefactor, and the arrangement was consummated. She agreed to pay Benjamin H. Campbell, within the year, \$2,100, out of the earnings of the office, and to pay the expenses of the office, and also to pay Blakely \$2,000 for books, furniture, papers, and outstanding fees.

Mr. Campbell was informed by Mr. Blakely of the arrangement, and by his request Miss Sweet came to his office, and stated in precise terms the sums to be paid him, the installments, and the times when such installments would be due and payable.

Punctually as the days of payment arrived Mr. Campbell called at Miss Sweet's office after she was appointed, and received the amounts agreed to be paid, and his receipts are produced and are in evidence.

Blakely resigned according to contract, and Miss Sweet was appointed according to contract, on the first of April, 1874, and Mr. B. H. Campbell received his installments of Blakely's debt to him and Bradley according to contract, until the 10th of April, 1875, when Miss Sweet claimed that her contract was fulfilled, which was at first disputed by Campbell, but, after referring to Blakely, was admitted as final.

Meanwhile another and darker feature in this disreputable transaction took place.

On the rendition of Blakely's final accounts an item improperly charged by him of about \$3,200 was disallowed by the proper accounting-officers, and he was ordered forthwith to make it good by paying over the amount to Miss Sweet, his successor.

Again this bad man tries his powers of persuasion upon the feelings and sympathies of this young lady, who was still under the mistaken conviction that she was under great obligations to him. He represents to her that he cannot raise the money at the time, but will soon be able to; that discovery will ruin him; that she ought to help him, and can safely do so; and thus, by prayers and promises, overpersuades her to give him a receipt as a public officer for money which he owed the Government, without actual receipt by her of the sum pretended to be paid, and thus shoulders both the crime and the consequences of the default from himself, over upon her.

She yielded, very unwisely, to his importunity, and gave him a receipt for \$40,000, in round numbers, when she had only received from him \$37,000, in round numbers. Elated with this present success, Blakely departs for Minnesota, and then comes the usual sickening story of a successful scoundrel shutting his ears to the piteous appeals of the party whom he has cheated and betrayed. Letter after letter, telegram after telegram, follow him to his various haunts. Miss Sweet is left alone to her own counsel, for this same odious pledge of secrecy has been demanded and given. It is, however, largely to her credit that no attempt was made by her to conceal by any arts of book-keeping the fact which was always apparent on her books, that she appeared in default to the United States. In addition to all her other burdens, this man Blakely had borrowed of her on private account \$400, which of course remained unpaid.

In October, 1874, Mr. Lockey, then Deputy Commissioner of Pensions, called at her office, and, in course of a casual examination, ascertained the apparent deficit, and called Miss Sweet's attention to it. She, still bound by the pledge of secrecy, did not at that time explain to Mr. Lockey the real nature and cause of the deficit. Lockey left, promising to return in a few days and fully examine into the affair.

Miss Sweet follows Blakely up with telegrams, and on the 2d and 3d of October receives from him the two telegrams printed on page 10 of the testimony. The parts which specially relate to the pending investigation of the deficit are as follows :

BRADFORD, VT., *October 2, 1874.*

Don't worry. Baker will understand, and will make all right.

D. BLAKELY.

BRADFORD, VT., *October 3, 1874.*

All right. Have telegraphed Baker this morning.

D. BLAKELY.

Thus the fact of the communication by Blakely of the impending danger of discovery to Baker, then Commissioner of Pensions, is established, and Baker himself, in his testimony on page 34, admits the fact :

Q. During the absence of Mr. Lockey on this trip had you any communication with Blakely?—A. He telegraphed or wrote to me, or did both, from Vermont.

Q. Have you either the dispatch or the letter?—A. I have neither. I think it was destroyed.

It is also in evidence that Miss Sweet wrote to Baker more than once about this deficit, and the cause of it, before Lockey's visit in October. She, however, kept no copy of the letters, and Baker does not produce them.

Mr. Lockey returned to Chicago within three or four days, but while absent at Dubuque, in the State of Iowa, had received from Mr. Baker the following telegram :

WASHINGTON, D. C., *October 3, 1874.*

[Received at Dubuque October 3, 1874.]

HON. JOSEPH LOCKEY,

Deputy Commissioner of Pensions, Dubuque, Iowa. (Care of Pension-Agent.)

You need not stop at the Chicago agency, as I will go there.

J. H. BAKER,

Commissioner of Pensions.

On his arrival at Chicago, Lockey had a long and full conversation with Miss Sweet, who then informed him precisely how the deficit occurred, and how she was persuaded by Blakely to assume his deficiency.

Particular attention is called to his testimony on page 12, which clearly establishes that he then received a full statement of the case from Miss Sweet, and on his return to Washington informed his superior, Baker, of the entire transaction.

Thus, in the early part of October, and before Baker went out to Chicago, he was informed of this deficit, and the manner in which it occurred, from three sources—from Blakely, from Miss Sweet, and from his official deputy, Mr. Lockey.

It is further in evidence that Blakely and Baker passed through Chicago, on their way to Minnesota, to attend the November elections, and that after the elections in that State they appeared together in Chicago, and that a peremptory demand was at once made by Baker on Miss Sweet to settle this deficit on that day. This whole most infamous transaction is detailed in full in the testimony of Miss Sweet on page 5. And your committee have no possible doubt that by deliberate conspiracy between Baker and Blakely it was purposed to make Miss Sweet pay up this amount, both of them having full knowledge of the manner in which she became liable.

Blakely had procured of some friends in Minnesota notes to the amount of \$2,000, which he proposed to leave with his friend Baker as security to that extent, and that Miss Sweet should pay the balance in cash, and then Baker would allow her to carry the rest of the deficiency on the security of these notes. Miss Sweet insisted that the notes be delivered to her, and at last broke the bonds of secrecy under which she had been held and consulted her friends.

By the aid of these friends she raised the whole amount of the deficit, partly on her own credit and partly on the discount of the notes given by Blakely, and thus escaped from the power of these designing and dishonorable men.

Your committee have no doubt that it was the purpose of Commissioner Baker to force her to pay up the whole of Blakely's liability, or compel her to abandon the office in dishonor as a defaulter; and your committee feel bound to say that a more utterly wicked and criminal combination for oppression and wrong has never been before revealed.

These cases, connected with the Chicago pension-agency, disclose a very low and discreditable tone of opinion, among men of standing and prominence, in relation to the public offices of the Government, and the propriety or impropriety of the barter and sale of real or supposed influence in the procurement of appointments to office.

Persons themselves in high and responsible office and alleging themselves to have influence with the appointing power, and undoubtedly believed by others to possess such influence, make that influence the subject of barter and sale, and put it upon the market as a merchantable commodity.

In the case of the original appointment of General Sweet to the pension-agency, a clear contract is established by which Mr. J. Russell Jones, then United States marshal, and believed to be on terms of special intimacy with the President, agreed to use his influence for General Sweet's appointment on the clear bargain and express condition that George W. Campbell, a connection and friend, should be put on duty as a clerk at an exorbitant and unusual salary—a salary which it is also in evidence he never earned. It is this feature particularly which compels your committee to stamp their disapprobation on the transaction. The services of the very best of clerks could have been procured for \$1,500 per annum. This man was paid \$2,500 per annum, and the additional \$1,000 was a gratuity, or rather an extortion, demanded and

paid, not for services to be done, but for the influence of his patron and his connections.

The worthlessness of Mr. Campbell as a clerk is further and most convincingly proven by the extraordinary fact, established by himself, that after a year's trial General Sweet actually paid him \$1,500 a year to leave the office entirely, and Mr. Campbell does not seem to consider this as a singular arrangement.

There can be no doubt but that this transaction should be considered in precisely the same light as if General Sweet had agreed to pay so much money as a consideration for influence.

There is no law on the statute-books forbidding or making criminal the practice of office-broking, or the barter of real or pretended influence in the matter of appointments, except as to members of Congress and certain other named officers.

But the sound sense of the people will condemn the practice as having the most direct and deplorable tendency toward corruption, and toward securing public offices by unworthy means.

David Blakely succeeded General Sweet, and when he, in his turn, wished to retire, he sold out his interest in his unfinished term of office, and his personal and political influence, to the orphan daughter of his predecessor.

Words fail to set forth the convictions entertained by this committee of the baseness of this man and his coadjutor, Baker.

They both pass from the respect of all honorable men and take their appropriate place in the ranks of swindlers and confidence operators.

Blakely holds no place under the Government, but Baker is now surveyor-general of Minnesota, and this committee desire to state that no such man should be allowed to hold office under the United States.

He appeared before the committee with a carefully-prepared statement, which he read as evidence, evasive, indirect, and contradicted by his own cross-examination and by the testimony of all the other witnesses. His relations with Blakely are known to have been very intimate and confidential, and there is no reasonable doubt that he was a willing partaker with Blakely in his dishonorable schemes.

Mr. Benjamin H. Campbell, now United States marshal in Chicago, desires the committee and the country to believe that he knew nothing whatever of the transactions between Blakely and Miss Sweet which were the consideration for the assumption and payment by her of the debt due by Blakely to Campbell.

The committee desire to believe this statement if it were at all consistent with the evidence. But the fact remains that, for some reason, Miss Sweet agreed to pay, and did pay, to B. H. Campbell \$2,100 due by Blakely; that Blakely did resign; that Miss Sweet was appointed; that the payments commenced from and were dependent on her appointment; that the arrangement for the payments was talked over and agreed to by Miss Sweet in the presence of and at the request of Mr. Campbell; that Miss Sweet was known to Mr. Campbell to possess no means from which to pay; that she was a young woman, working at the time as clerk in the Internal Revenue Office at a small salary.

Under all these known facts, the committee are of opinion that any ordinary business man must have assumed that the payments would come from the pension-office, and that Blakely's surrender of that office to Miss Sweet was the consideration.

It is very probable that this may not have been said in express words, but that it was understood can hardly be doubted.

On any other hypothesis it would puzzle Mr. Campbell or any one

else to show where he expected the money to come from, or what motive there was for this extraordinary benevolence on the part of Miss Sweet toward Mr. Blakely and Mr. Campbell.

In the view which the committee are forced to take from the evidence, the transaction is illegitimate and improper, and tends to the sale of offices, and is closely of kin to the similar transaction in relation to the original appointment of General Sweet.

Mr. Campbell himself seems to have so regarded it, when, as he states, he became fully acquainted with its real effect, for since this investigation commenced he has repaid to Miss Sweet the entire amount paid by her to him.

The committee cannot close this subject without stating that as soon as the President of the United States learned from Miss Sweet, in January, 1876, the fact that she had been paying money to Mr. B. H. Campbell, he at once expressed his most decided and emphatic disapprobation, and informed her that she must not pay any more money; that any further payment would be deemed by him cause of removal. And the committee have no doubt that this disapprobation by the President was one, at least, of the causes which led to the restitution made by Mr. B. H. Campbell.

Your committee do not propose to criticise with any severity the course taken by Miss Sweet. She was evidently anxious to secure a position by which she could aid her father's family. She was unacquainted with the world; young and inexperienced. She believed that Blakely was doing her a favor; she was hopeful of good results; she found men of position and character proposing a transaction, and she evidently thought it was right. She has been deceived, wronged, and cheated by false pretenses, but she has kept her plighted word and only spoken in self-defense. Her sympathies have been played upon, and it was not until she was threatened by the conspirators with financial ruin and official dishonor that she took counsel of her friends and stood up for her rights.

Her testimony is direct, modest, clear, and conclusive, and is fully believed by the committee. Her relations with the procurement of office for herself under the contract, as proven, are, in the judgment of the committee, venial, and to be passed over with light censure, if any, as not of her own devising, but the suggestions of others in whom she believed.

As the result of their examination, the committee recommend the passage of the following resolutions:

1. That, in the opinion of this House, the demanding or acceptance by any person of money or any other valuable thing for himself or any other person as a consideration for real or pretended influence to be used in procuring appointments to public offices, is disgraceful to the individual, prejudicial to the public interest, and leads inevitably to corruption and dishonor.

2. That such misconduct, when found to exist in the case of a public officer, is, in the judgment of this House, good cause for removal.

3. That the Judiciary Committee of this House be directed to report a proper bill for the definition and punishment of offenses of this nature.

4. That a copy of this report and resolutions be forwarded to the President of the United States for his information.

Since the foregoing report was made and approved by the committee, certain other witnesses have been examined, at their own request,

namely: Mr. J. Russell Jones, Mr. E. H. Gary, Mr. David Blakely, and Mr. J. L. Lumbard; and Mr. M. P. Johnson and Miss Ada C. Sweet have been recalled and re-examined.

Their testimony is now printed, and has been very carefully examined by the committee; and after careful consideration of the whole matter, the committee can discover no reason for changing either the conclusions or the expressions in their report.

J. O. WHITEHOUSE, *Chairman.*

JOHN YOUNG BROWN.

J. W. THROCKMORTON.

H. B. PAYNE.

R. A. DEBOLT.

AUG. W. CUTLER.

S. A. HURLBUT.

VIEWS OF THE MINORITY

Mr. LEAVENWORTH submitted the following as the

VIEWS OF THE MINORITY:

The undersigned members of the committee feel constrained, as a matter of justice, to dissent from the report made by the majority in this case, and without imputing to the majority any improper motives, regret to say that it appears to us that reproach has been cast and crimes charged upon persons needlessly, and for which no warrant can be found in the evidence.

The examination has gone back to the year 1869, when General B. J. Sweet was appointed to the position of pension-agent at Chicago, and the first case of alleged wrong-doing in connection with that place has reference to the manner in which he procured his appointment. The censure of the majority of the committee, it seems, is aimed at the Hon. J. Russell Jones; yet it is quite plain that if Mr. Jones has been guilty of any impropriety, General Sweet was guilty in like degree, and that fact cannot be obscured by pronouncing the encomium, as the majority report does, and very properly, upon General Sweet, that he was "a distinguished officer, severely wounded in the war."

The simple, unvarnished truth of the whole matter is this:

General Sweet was an applicant for the position of pension-agent, and was getting all the influence he could to secure his appointment.

Mr. George W. Campbell was also an applicant for the place, and was using like means to obtain it.

The Hon. J. Russell Jones was, and had been for many years, the personal friend of Mr. Campbell. In his early life Mr. Campbell had assisted him. This kindness he remembered, and at the time the contest for the place was going on, Mr. Campbell having met with reverses and needing assistance, Mr. Jones was willing and desirous to aid him in getting the appointment. But General Sweet also appealed to Mr. Jones to assist him in procuring the place. He was informed by Mr. Jones of the relations of the latter to Mr. Campbell, and at the same time that, but for this, he would be glad to aid General Sweet in the matter. He asked General Sweet if there was not enough in the place for both of them, whereupon the latter proposed that if he got the place he would employ Mr. Campbell as his clerk at \$2,500 per year, and thereupon Mr. Jones signed General Sweet's recommendation. Mr. Campbell was a man who had had large business experience; had been a paymaster in the Army, and was at the time competent for the position he was seeking.

Mr. Jones had no connection with this matter other than as above stated; he had no pecuniary interest in it—no private interest to subserve, and what he did was purely and simply a matter of disinterested friendship to these two men. In considering this transaction, and Mr. Jones's connection with it, it should be borne in mind that the Government had nothing to do with the employment of clerks in a pension

agency. The agent employs his own clerks and pays them just such salaries as he chooses out of the fees allowed by law. Whether he pays much or little is of no concern to the Government, and General Sweet could pay his employes just what he chose and could select whomsoever he would. To attempt, as the majority report does, to tarnish the reputation of Mr. Jones for what he did in the premises (and he did nothing but what is above stated) can hardly be regarded otherwise than as an act of great injustice to him. In our opinion, he has done nothing that merits criticism, or that an honorable gentleman could not do with perfect propriety.

It appears in evidence that some months after General Sweet was appointed he made an arrangement with Mr. Campbell by which the latter was to cease to render active service in the office, and be paid \$1,500 per year instead of \$2,500. Up to this time Campbell had been rendering active service constantly. This last arrangement was made at General Sweet's own solicitation. When it was made, Mr. Jones was abroad as minister to Belgium, (having gone there soon after the first arrangement was made,) and had no knowledge of it whatever.

After disposing of the case of General Sweet and Mr. Jones, the majority proceed with the case of Mr. David Blakely, who succeeded General Sweet as pension agent, and introduce it as follows :

The second case is one of special cruelty and hardship, and develops a degree of criminal conspiracy to defraud and injure a young and innocent woman which cannot fail to disgrace all the participants in the plot.

Miss Ada C. Sweet, orphan daughter of General B. J. Sweet, is the victim, and James H. Baker * * * and David Blakely are the wrong-doers, and Mr. Benjamin H. Campbell, now marshal of the northern district of Illinois, appears to have been a party to one portion of the plan, but without any conclusive evidence that he was cognizant of the character and extent of the frauds intended to be perpetrated.

After some recitals of what purport to be the facts of an arrangement made between Miss Sweet and Mr. Blakely, the report proceeds :

On the rendition of Blakely's final accounts an item improperly charged by him, of about \$3,200, was disallowed by the proper accounting-officer, and he was ordered forthwith to make it good by paying over the amount to Miss Sweet, his successor.

Again, this bad man tries his powers of persuasion upon the feelings and sympathies of this young lady, who was still under the mistaken conviction that she was under great obligations to him. He represents to her that he cannot raise the money at the time, but will soon be able to; that discovery will ruin him; that she ought to help him, and can safely do so; and thus by prayers and promises over-persuades her to give him a receipt as a public officer for money which he owed the Government without actual receipt by her of the sum pretended to be paid, and thus shoulders both the crime and the consequence of the default over upon her.

From these extracts it will be seen that it is alleged in this report—

1st. That General Baker and Mr. Blakely had entered into a "conspiracy" or "plot" to defraud and injure Miss Sweet.

2d. That Benjamin H. Campbell was, at least in part, a party to this "conspiracy."

3d. That Mr. Blakely had persuaded Miss Sweet to enter into an arrangement with him, the particulars of which will be hereafter stated.

4th. That Blakely had attempted to procure for himself a credit of \$3,200 to which he was not entitled; that he was a defaulter to the Government in that amount.

5th. That by his persuasions and importunities he induced Miss Sweet to take this upon herself, and thereby make herself appear to be a defaulter; that Baker aided him in this; and

6th. The report proceeds then to paint Blakely as a "successful scoundrel," flying from place to place to escape the appeals to him by letters and telegrams of her whom he had cheated and betrayed.

To these conclusions of the majority we cannot assent; and, with all due respect to the majority, are constrained to say, as a matter of justice, that they are not warranted by the evidence. An examination of the evidence will show that Miss Sweet was by no means an inexperienced girl. She had been her father's clerk while he was pension-agent. She had been Mr. Blakely's clerk during a portion of the time he held that position. She was perfectly familiar with that agency; knew all about the duties of the office—the work to be done, the expense of conducting it, and its emoluments. She was an experienced, sagacious, business woman.

In the language of Mr. Gray, a witness who is an executor of her father's will, and is intimately acquainted with her, she is "a very intelligent business lady." "She has had a good deal of experience in business for a young lady, and she is a superior girl, very intelligent and capable in a business way." In addition to her experience in the pension agency, she had had considerable experience in the internal-revenue department.

An effort was made to remove Blakely from this office, and Miss Sweet became an applicant for it in the event of his removal. She procured the assistance of friends to aid her in getting the appointment, among whom was Mr. Gray. In this effort she failed. Her friends informed her that Mr. Blakely would not be removed, and consequently she could not get the appointment. She accepted this as a fact, and ceased further efforts in that direction.

Subsequently Mr. Blakely had a business offer at Saint Paul, but having previously become financially involved by reason of the great fire in Chicago, and Mr. Campbell being his indorser to the extent of \$5,000, for which Campbell had no security, Blakely had promised him that out of his salary as pension agent he would periodically make certain payments on account of this liability to the end of his term of office. Having made this arrangement, he felt constrained to continue in the occupancy of the office to the end of his term, and therefore not to accept the business arrangement above alluded to.

These facts he communicated to Miss Sweet, and proposed to her that he would resign, would aid her in getting the appointment, on condition that he should have the benefit of the net proceeds of the office until the end of his term, just as he would have done had he continued to hold it until that time. Miss Sweet was at that time receiving a salary of \$900 or \$1,200 a year, but as a part of the proposed arrangement she was to have out of the proceeds of the office a salary of \$1,500 per year.

After paying this to herself and all the other expenses and paying, Mr. Campbell just as Blakely would have paid him, the balance was to be paid to Mr. Blakely until the end of his term, which was a little more than a year.

The advantage of this to him was that he would receive just what he would have received if he kept the office, and the advantage to her was that she would at once get an increase of salary and get possession of the office, and all the emoluments after the period of Blakely's term.

This arrangement was entered into; she entered into it understandingly, willingly, and gladly. She deemed it to her advantage to do so; there was no fraud, artifice, or deception practiced upon her to induce her to do so by any one.

General Baker knew nothing about it until months after it had been done. Mr. Campbell did nothing but accept from her, out of the proceeds of the office, what he would have received from Blakely if the latter had not resigned.

If evidence is of any value whatever, the evidence in this case proves what is above stated clearly and indisputably; and, in our judgment, the position of the majority, that there was a "conspiracy" or a "plot" against Miss Sweet to induce her to make this arrangement, is without any support in the evidence whatever.

Again, the report of the majority seeks to show that Blakely was a defaulter, and sought to defraud the Government by giving himself credit for \$3,200 to which he was not entitled, and afterward to shift this in a disreputable way from himself to Miss Sweet, thereby making her appear to be the defaulter.

A recital of the facts as shown by the evidence (and for the accuracy of our statement we appeal to the evidence) will show that this is unjust to Blakely. Blakely was not a defaulter. While he held the office it was admirably managed, and he left it in good condition. When he gave it up there was not a farthing wanting—the money was all there. When he came to make up his final account there was standing on the books of the Treasury Department a credit of \$3,200, known as the "ante-fire account."

The books of the Department showed that amount due him from the Government; and in making up his final account he embraced in it that sum as a credit to himself, and retained a like amount of money out of the moneys in his hands, thereby paying himself the amount that the books showed that the Government owed him. The balance of the money on hand, \$37,000, he paid over to Miss Sweet, his successor. His final account came to the Department, and there the accounting-officers disallowed the item of \$3,200, not because it was unjust, not because it was not due to Mr. Blakely, but because of some *technical* difficulty that was in the way; and he was informed that he must pay the money over, and get it back again through some congressional action. To brand a man as a defaulter under such circumstances is certainly most unjust. But, being called upon to pay over this money, he arranged with Miss Sweet that she should pay it or assume it, and receipt to him for it. With reference to the arrangement that was made between them as to this, they differ in their testimony. Miss Sweet claims that he induced her to receipt to him for the money, she to advance it, and he to repay her shortly afterward; while he claims that the arrangement was that she should assume the payment of that sum, and that (with the payments she was to make to Campbell) should be a finality as the amount she should pay to him under the original arrangement. Blakely claims that the net emoluments of the office were \$6,000 per year. She says that they were actually \$5,500. So that if she did assume the payment of the \$3,200, this, with \$2,100 to be paid Campbell, was still less than she had agreed to pay, and to her the only material difference under the agreement was in paying it at once or in paying it as she received it out of the office. The weight of the evidence is that she did assume to pay this \$3,000 and make an end of the matter as between herself and Blakely. Blakely says so. Mr. Gray and Mr. Lombard both got that understanding from Miss Sweet herself, as will appear from their testimony.

Some time after she had receipted for this sum, by reason of it she got into trouble about her accounts. Her office was about to be examined, and she made application to Blakely for assistance. Then, for the first time, Baker learned of these transactions, six months after the original arrangement was made. All the evidence conduces to show this, and so far from joining with Blakely to wrong or oppress her he actually aided her in getting out of her difficulty, and at the same time

took care that the Government's interests should be protected, as will be more fully shown hereafter.

It is but just to him to say this. And so far from Blakely doing anything to injure her in this emergency, and undertaking to evade her letters and telegrams, he responded to them promptly; he manifested a disposition to aid her; he furnished her with \$2,000, and when she asserted that the office was not yielding as well as she had hoped, while he did not consider himself bound to do so under the agreement they had made, yet he gave her this \$2,000 absolutely.

Mr. Gray and Mr. Lombard, executors of her father's estate and her personal friends and advisers, who had an interview with these two parties together, and heard from them their respective versions of these transactions, (and their versions did not materially differ,) did not think that Mr. Blakely had acted otherwise than a manly and honorable part, and so freely expressed themselves at the time. Certain it is that she has not paid to Mr. Blakely as much as she agreed to.

It appears that the books, papers, &c., connected with the pension-agency are the private property of the agent, and are always and properly sold by the outgoing to the incoming agent. Blakely purchased them from General Sweet for \$1,500 or \$2,000, and he sold them to Miss Sweet for \$2,000, which she paid him. In getting at the profits of the office, for which she was to account to him, she seems now to think that this sum should be deducted; but that was manifestly not the original agreement between them, nor was this any part of the expenses of the office. She agreed to pay \$2,000 for the books, &c., of the office, and did pay it, and also agreed to pay the proceeds of the office, after deducting expenses.

As she states, the proceeds were \$5,500. She paid \$2,100 to Mr. Campbell, (which he has since refunded to her.) She paid the \$3,000, of which Blakely furnished to her \$2,000, and she paid or loaned to Blakely \$400. So that in reality by this arrangement she got possession of the office which she much desired. She got an increase of salary, and only paid out the sum of \$3,500, of which Mr. Campbell has returned to her \$2,100, making only \$1,400 which she has paid, and she still holds the place, whereas, according to her agreement, she agreed to pay, according to her own showing, \$5,500.

In all this business the Government has not suffered to the extent of a farthing; and while we do not by any means approve of the arrangement which the parties made, but, on the other hand, condemn it as against public policy, it is but justice to Mr. Blakely to say that any charge of "conspiracy," or "plot," or "defalcation" is without warrant in the evidence, and that his conduct toward Miss Sweet in relation to this business has been in the highest degree manly and honorable.

There is but the one act that we deem censurable, and that applies to Miss Sweet equally with him, and that is the entering into the original agreement.

We desire, also, most emphatically to dissent from and express our disapprobation of that portion of the report which reflects upon General Baker.

As before stated, General Baker knew absolutely nothing about the agreement between the parties until about the 1st of October, six months after it had been made.

About the 1st of October, Mr. Lackey was about to make an examination of the office. Miss Sweet then applied to Blakely, who was in Vermont, for assistance. The latter at once communicated with her on the subject, and advised her that he would have the examination of the

office omitted, to give time to adjust the difficulty. He telegraphed General Baker on the 3d of October from Bradford, Vt., in these words, "Telegraph Lackey to pass over Miss Sweet's office for reasons which I will explain by letter. Important. Answer."

To this General Baker telegraphed as follows: "I have so telegraphed. What can you mean?"

To which Blakely replied that he had sent an explanation by mail.

These telegrams of themselves show that at this time General Baker was in absolute ignorance of what had occurred. In addition to these, Baker and Blakely both swear that Baker knew nothing about it, and nobody pretends to testify that he did.

After this Baker was fully informed as to these matters. He went to Minnesota, and on his return saw Miss Sweet at her office in Chicago. Blakely was in Chicago at that time. Baker saw her in relation to the deficiency in the account, and she says that "One morning they both appeared suddenly in my office. General Baker said, 'Miss Sweet, I understand you are short \$4,000.' I said, 'Yes.' He said, 'It must be made up to-day. I leave for Washington to-night to report to the Secretary of the Interior, and you must make up the amount.' I told him I could not raise \$4,000. I told him that it was all Blakely's deficiency, not mine. He said that made no difference; that I had assumed the amount, and must be responsible for it." Now, this testimony is absolutely all that there is in all this case to indicate any collusion, combination, or conspiracy on the part of General Baker in this matter in any manner or form whatever. Blakely testifies that he and Baker were not there together, and so does General Baker. Shortly before this she had told General Baker what the trouble was, and he at once called upon Blakely to assist her out of it. She did the same, and Blakely at once made preparations to do so, and at the very time that it is attempted to be made to appear that Baker was in collusion with Blakely to injure her, Blakely was in Chicago with notes of undoubted character to the amount of \$4,000, which he had procured in Saint Paul, because of the communications he had received from Miss Sweet and General Baker, and had brought to Chicago for the express purpose of aiding her. With these at that time he did aid her to the extent of \$2,000, all that she asked of him.

Now, how, in the face of these facts, it can with any reason or justice be said that General Baker was in any way wronging Miss Sweet or oppressing her, or conspiring or plotting against her, is difficult to conceive. On the contrary, when he discovered the situation he at once took steps to make the Government secure; and in doing this he acted with the utmost kindness and consideration toward Miss Sweet. His conduct throughout the whole affair, so far as he has been connected with it, has been that of an upright official and an honorable, high-minded man.

He is deserving of praise and not censure.

CHAS. FOSTER.

E. W. LEAVENWORTH.

MARY E. PURNELL.

AUGUST 5, 1876.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MILLIKEN, from the Committee on War-Claims, submitted the following

R E P O R T :

[To accompany bill H. R. 4061.]

The Committee on War-Claims, to whom was referred the petition of Mary E. Purnell, for compensation for cotton used by the United States troops in constructing batteries at Port Hudson in June, 1863, and subsequently sold for the benefit of the Quartermaster's Department of the Army of the United States, respectfully state :

That they have examined the evidence therein filed, and also a report of this committee made to the Forty-third Congress on the 22d day of June, 1874, and adopt the same as the report of the present committee, and recommend the passage of the accompanying bill as amended.



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MRS. MARY SCOTT.

AUGUST 5, 1876.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MILLIKEN, from the Committee on War-Claims, submitted the following

R E P O R T :

[To accompany bill H. R. 4062.]

The facts in this case, as fully sustained by the testimony, show that Mary Scott, of Jessamine County, was a loyal citizen of the United States, and the owner in fee of about 1,266 acres of land, located upon the turnpike road between Lexington and Danville, about six miles south from Nicholasville, the terminus of the Kentucky Central Railroad; that in May, 1863, the troops of the United States, under command of General A. E. Burnside, took possession of all of said farm, and established upon that and adjacent farms a large and extensive military post, known as "Camp Nelson," which was intrenched and heavily manned with artillery, and made the base of military operations for the Union Army in Eastern Tennessee, and a purchasing-point for supplies, and point of defense for all Central Kentucky.

The camp was garrisoned at all times during the war after May, 1863, and was made a place for the enlistment of colored troops, and a place of refuge for their families. The United States caused Mrs. Scott and her family to remove from her farm in May, 1863, and kept uninterrupted possession of said farm until September, 1866, during which period she was deprived of its use and control, and compelled to seek subsistence and residence elsewhere. The evidence shows that, at the time Mrs. Scott was required to give up her property for the public use, it was agreed between her and the commanding general of the district of Kentucky, J. T. Boyle, with the consent and approval of General A. E. Burnside, that she should be paid a just and reasonable compensation for the use of her property; and in earnest thereof General Burnside, at the time, instructed General Boyle to pay Mrs. Scott \$500, which was done. The necessities of the public service required many buildings in the camp for barracks, commissary and quartermaster stores, hospitals, &c., most of the lumber for which was cut and sawed from Mrs. Scott's farm. All or nearly all of the remaining wood upon the farm was cut and used for fuel for the Federal Army, public necessity requiring it to be so used. The fencing upon the farm was all or nearly all used as fuel by the military authorities. The evidence shows that when General Burnside first occupied the farm of Mrs. Scott, in May, 1863, it contained 570 acres of heavy timber, which was used by the Federal Army. The claimant now asks compensation for 37,240 cords of wood in the tree, at \$1.50 per cord; for 860½ cords dry wood in rails, at \$4 per cord; and 25,000 feet of lumber, at \$15 per cord; amounting in the aggregate to \$59,677.

Although the proof, made by something like fifty witnesses, whose veracity is well vouched for, seems to sustain this claim as just and reasonable, said proof showing that even larger prices were paid to owners of other timber and wood within the camp and adjoining Mrs. Scott's farm, yet, in view of the fact that said payments were made at war-prices, and that some compensation has been paid her, the committee recommend that Mrs. Scott's administrator be paid as follows :

For 532 acres of wood, at 35 cords to the acre, the sum of \$1 per cord, making	\$18,620
For 860½ cords dry wood, at \$4 per cord	3,442
For 25,000 feet lumber, at \$15 per thousand	375
Total	22,437

The committee, therefore, recommend that the sum of \$23,437 be paid to the administrator of Mrs. Mary Scott in full of all demands or claims of her estate against the United States for lumber, wood, and rails, and submit the accompanying bill with recommendation of its passage.

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CHARGES AGAINST HON. J. PROCTOR KNOTT.

AUGUST 5, 1876.—Recommitted to the Committee on the Judiciary and ordered to be printed.

Mr. HURD, from the Committee on the Judiciary, by unanimous consent, submitted the following

R E P O R T :

The Judiciary Committee, to whom was referred the resolution of the House relating to a telegram received by Hon. J. Proctor Knott, its chairman, from one Josiah Caldwell, concerning an investigation authorized by a resolution introduced into the House by Mr. Tarbox, of Massachusetts, would report:

That while the investigation contemplated under that resolution was in progress, it was developed that one Josiah Caldwell had made certain statements to parties as to the subject-matter of that inquiry. These statements were offered in evidence before the committee, but they were excluded upon the grounds, first, that they were irrelevant to the subject-matter of the Tarbox resolution; and second, that Caldwell was in Europe, and therefore beyond the reach of the process of this House. Under these circumstances it was determined by the committee that a telegram should be sent by the chairman to Caldwell, asking him to appear before the committee to testify.

After the action of the committee, and before any communication had been had with Caldwell, a telegram purporting to come from him was delivered to the chairman, as follows:

Have just read in New York papers Scott's evidence about our bond transaction, and can fully corroborate it. I never gave Blaine any Fort Smith bonds, directly or otherwise. I have three foreign railway contracts on my hands, which makes it impossible for me to leave without great pecuniary loss, or would gladly voluntarily come home and so testify. Can make affidavit to this effect and mail it if desired.

The resolution referred to your committee in substance demands that this telegram be made part of the testimony taken by the subcommittee engaged in the investigation under the Tarbox resolution.

If this demand is to be complied with, it must be upon the ground that such telegram is competent evidence in this investigation, for otherwise the proposition would be that incompetent testimony might be introduced to establish facts before a tribunal constituted by this House.

The sole question, in this view of the case, is, is this telegram competent evidence?

It is impossible to conceive upon what ground such a proposition can be maintained.

In the first place, with the concession that the telegram came from Mr. Caldwell, its statements cannot be received as evidence, because not made under oath. It would be singular, indeed, if in an investigation where witnesses actually present before the committee are required to be sworn, the unsworn statements of an absent person should be ad-

mitted as testimony. Such a rule would make too uncertain proceedings before an investigating committee, proceedings which require limit and definiteness rather than wider latitude.

But in the second place, when the telegram was received by the chairman there was not the slightest evidence that it had been sent by Mr. Caldwell. As it stood then, it simply appeared that a message with Mr. Caldwell's name subscribed to it had been delivered to the chairman of the committee.

But no one will pretend that this establishes the fact that Mr. Caldwell sent the message. In every case where the contents of a telegram are to be proven, or its authenticity to be established, the original message written by the sender must be produced. It is true that secondary evidence may be admitted, but then only after such proof of the loss or destruction of the original as is required to make such evidence admissible in other cases.

In *Matteson vs. Noyes*, 25 Ill., 59, it is said :

"The paper filed at the office from which the message is sent is, of course, the original, and that which is received by the person to whom it was sent, purports to be a copy. If the dispatch is sought to be used in evidence, the original must be produced and its execution proved precisely as any other instrument, or its absence accounted for in the same mode, before the copy can be received."

The same doctrine is maintained in *Williams vs. Buckell*, 37 Miss., 682; *Durkee vs. The Vermont Central Railroad Company*, 29 Vt., 39; and *Hawley vs. Whipple*, 48 N. H., 487.

In the third place, it may be said that while the message received is not evidence, yet its receipt gave rise to a presumption that it was sent by Mr. Caldwell and that its contents are his statements. As to this it may be remarked that it had already been decided by the Judiciary Committee in this very investigation that statements made by Mr. Caldwell to others, who were present before the committee to testify as to them, were not admissible in evidence. The rule established by the committee by that action seems decisive of the present question, for the same reasons which required the rejection of the oral statements of Mr. Caldwell should exclude his written statements, and certainly such statements as are contained in what is only a copy of his writing. But it has been repeatedly decided that a copy of a message raises no presumption as to the original. In *Hawley vs. Whipple*, 48 N. H., 487, it was held that "the fact that a telegram was sent to a person at a particular place, and an answer received by telegraph at the office from which the original telegram was sent, purporting to come from that person at that place, is no proof he was there at that time." If an answer to telegram affords no presumption that the person sending such answer was at the place from which it purports to be sent, *a fortiori*, no such presumption can arise where the message is not in answer to another previously sent; and if no presumption could arise (to speak of the present case) that Caldwell was in London on the 31st of May, certainly none will be claimed to arise that the message received was a copy of an original deposited in London.

It has been charged that the withholding by the chairman of this message from the subcommittee conducting this inquiry was a suppression of evidence, and that the ordinary presumptions arising from such suppression could be claimed as against him so far as they would relate to persons interested in the result of the investigation. The unreasonableness of such a claim is manifest when the principles of law established upon this point are considered. It is the suppression of instru-

ments of evidence that is condemned by the rules of law. But in this case the message received was not an instrument of evidence, and therefore withholding it is not suppression of evidence.

It must be recollected in this connection that the chairman of the committee was not a member of the committee conducting the investigation. His only duty in reference to that inquiry was that imposed upon him by the general committee, of securing the attendance of Mr. Caldwell to testify. Suppose Caldwell had been within the United States, where process could have been served upon him? Would any one pretend that a message from him upon the subject-matter of the investigation, before a subpoena had been served, should be presented to the subcommittee as evidence? If not, then, how does Caldwell's absence from the country change the rules of evidence as to his telegram? Such a message from a witness might be of use in enabling the chairman to get service upon him in the one case, or to communicate with him in the other; but in both cases it should be regarded as a message for the chairman only, to be used as he should determine, *not as evidence in the inquiry but to accomplish the object contemplated by the committee, viz, to bring the person before it to testify.* In the accomplishment of that result, it is manifest that by the action of the committee the whole discretion was intrusted to the chairman. No person ought to complain, providing that discretion were exercised in good faith. If the object were to procure the attendance of Caldwell, it is manifest that it could be better accomplished by withholding the telegram from the committee than by spreading it upon the records as evidence; for if Caldwell could testify by a telegraphic dispatch, there would be little likelihood of his crossing the Atlantic to appear before the committee.

Other considerations seem to have occasioned doubts in the mind of the chairman as to whether the telegram really originated with Mr. Caldwell or not, which doubts, from the testimony since taken, he appears to have been justified in entertaining. That testimony, however, shows that while a telegram, of which this was substantially a copy, was sent by Mr. Reed, a former clerk of Caldwell, to him, it was, in fact, adopted and forwarded to the chairman by Mr. Caldwell.

From these considerations the chairman felt warranted in withholding the telegram from the committee until an inquiry could be made as to the circumstances attending its origination.

Your committee, therefore, would report: 1. That the telegram received by the chairman from Mr. Caldwell was not evidence, and could not have been received as such without a violation of the rule before that time established by the committee. 2. That withholding it was not a suppression of an instrument of evidence. 3. And that the whole subject as to procuring the attendance of Mr. Caldwell to testify had been referred to the chairman of the committee, and that all communications with or from Caldwell in reference to such subject were in the hands of the chairman, to be used according to his discretion in accomplishing the object of the committee, and that no just complaint can be made of any use of such communications providing the discretion were fairly and reasonably exercised.

Your committee would further report that they are satisfied, from all the circumstances, that the chairman in withholding the dispatch from the committee acted in good faith, and without any purpose to injure any person involved in the investigation.

And would recommend that the further consideration of the resolution be indefinitely postponed.

CONTRACTS TO FURNISH SOLDIERS' HEAD-STONES.

AUGUST 4, 1876.—Laid on the table and ordered to be printed.

Mr. BANNING, from the Committee on Military Affairs, by unanimous consent submitted the following

REPORT:

The Committee on Military Affairs, having taken the testimony of various witnesses in the matter of contracts to furnish soldiers' head-stones, report :

That Congress having appropriated \$1,000,000 for the erection of soldiers' head-stones at the graves of soldiers buried in national cemeteries, the Quartermaster-General, on the 27th of June, 1873, invited proposals to furnish these stones in an advertisement, from which the following is an extract :

PROPOSALS FOR HEAD-STONES FOR NATIONAL MILITARY CEMETERIES.

WAR DEPARTMENT, QUARTERMASTER-GENERAL'S OFFICE,
Washington, June 27, 1873.

“ Provided, That the head-stones required by an act entitled ‘An act to establish and protect national cemeteries,’ approved February 22, 1867, and the act amendatory thereof, approved June 8, 1872, shall be of durable stone, and of such design and weight as shall keep them in place when set, and the contract for supplying the same shall be awarded by the Secretary of War, after sixty days’ advertisement in ten newspapers of general circulation, to some responsible person or persons whose samples and bids shall in the greatest measure combine the elements of durability, decency, and cheapness ; and the sum of one million dollars is hereby appropriated for said purpose out of any money in the Treasury not otherwise appropriated ; and the Secretary of War shall first determine for the various cemeteries the size and model for such head-stones, and the standards of quality and color of the stone to be used, and bids shall be made and decided with reference thereto ; and contracts may be made for separate quantities of such head-stones ; and the contracts made under this act shall provide for furnishing and setting all the head-stones, and shall not in the aggregate exceed the sum hereby appropriated.”

The total number to be furnished is estimated at 253,088. For the known, 147,694; for the unknown, 105,394.

Specifications describing in detail the standard fixed by the Secretary of War can be had on application by letter to this office, where, also, a specimen will be placed on exhibition within a few days.

The proposals should be in sealed envelopes, marked, “Proposals for head-stones for national military cemeteries,” and addressed to the Quartermaster-General of the Army, in whose office they will be opened, in the presence of bidders, on Saturday, September 6, 1873, commencing at 11 o'clock a. m.

By order of the Secretary of War :

M. C. MEIGS,
Quartermaster-General, Brevet Major-General United States Army.

On the 6th of September, 1873, the various bids to furnish head-stones were opened at the Quartermaster-General's Office.

The following is a schedule of the bids coming within the terms of the advertisement :

II CONTRACTS TO FURNISH SOLDIERS' HEAD-STONES.

Number of slabs, 147,694. Number of blocks, 105,394.

	Slabs.	Blocks.	Total cost.
C. M. Howell.....	\$5 00	\$2 42	\$999,998 00
D. C. Sage.....	3 93	3 93	994,146 54
Walsh Bros.....	4 65	2 90	994,146 54
D. V. Howell.....			983,079 39
Brandon Marble Company.....	3 89	3 89	973,861 35
J. Parker.....	3 85	3 85	970,154 75
J. W. Detta.....	4 25	3 25	960,000 00
Walsh Bros.....	3 65	3 65	923,271 15
Samuel G. Bridges.....			900,000 00
T. P. Morgan.....	3 40	3 40	860,033 40
Charles S. Jones.....	3 39	3 39	857,503 89
Knoxville Marble Company.....	3 50	2 65	796,154 75

For some reason not explained, the contract was not awarded until the 17th of November following, a period of nearly two and a half months after the bids were opened. The award under the provisions of the law was not made by the Quartermaster-General, who superintended the advertising, the receiving and opening of bids, but by the then Secretary of War, General Belknap. General Belknap did not give the contract to the lowest bidder. The Knoxville Marble Company's bid was \$796,154.75, being \$61,349.14 less than any other bid. Although this was the lowest bid, and one that was deemed within the terms of the advertisement for proposals by the Quartermaster-General, the Secretary of War, in the exercise of his discretion, ruled this bid out, because the color of the marble did not suit him. This ruling of the Secretary of War against the bid of the Knoxville Marble Company cost the Government \$61,349.14.

Walsh Brothers, of New York, claimed to be the lowest bidders for the contract. Their bid was \$923,271.15 for the work. They proposed to use Italian marble. The duty on the Italian marble they claimed would be over \$200,000, and as this duty would be paid to the Government, they claimed that they would only receive for the work \$723,271.25.

The ruling out of this bid by the Secretary is best explained in the testimony of Mr. Walsh, (page 47,) which reads :

Q. Where were the lettings conducted ?—A. The bids were opened in the Quartermaster-General's Office, and those of the bids that were entertained were sent to the Secretary of War. The Quartermaster-General recommended my specimens of marble as being the best inside of the appropriation, and I was given to understand that he sent a letter to the Secretary of War to that effect. The Secretary of War told me that General Meigs recommended my stone as being the best. Some time afterward I went to see General Belknap, and asked him how it was that I did not get the contract, and whether he found any fault with my ability to perform it, or my security. He said no. I told him that if he did, I would furnish him with real-estate security to the full amount of the contract. He said that that was not the trouble, but that the President had told him that he should not have foreign stone over the heads of American soldiers. I asked the Secretary whether the act of Congress barred foreign stones, and he said he did not care anything about the act of Congress ; he would hold himself responsible.

Charles S. Jones, whose proposal complied with all the requirements of the advertisement, was the next lowest bidder for the entire work ; his bid was \$857,503.89. The next lowest bidder was T. P. Morgan, being \$860,033.40. The next is the bid of Samuel G. Bridges, of Keokuk, Iowa ; this was a bid in gross for the entire work of \$900,000, being \$40,000 more than Morgan's bid, \$43,000 more than Jones's, and \$100,000 more than the bid of the Knoxville Marble Company.

Among the bidders was D. C. Sage, whose bid for the entire work was \$994,146.54. Mr. Sage bid to furnish the slabs at \$5 each, and the blocks for \$2.42 each. The Secretary awarded Mr. Sage a contract to furnish all the blocks at \$2.42 each. He awarded to Charles S. Jones a contract to furnish 49,597 slabs at \$3.39 each; to Morgan a contract to furnish 49,597 slabs at \$3.40 each, and to Bridges a contract to furnish 48,500 slabs at \$3.56 each.

Why Mr. Bridges should receive a contract for about one-third of the slabs at \$3.56 each, when Mr. Morgan only got \$3.40 for the same slabs, and Mr. Jones only \$3.39, is a matter unexplained by either Mr. Bridges or any of the witnesses examined, but it is just to say that the Secretary of War was not examined before this committee.

Why the contract was not given to the lowest responsible bidder, as the law required, and why the contract for the slabs was given to three different persons, at three different prices, who were not the lowest bidders, the testimony does not explain, and justifies the conclusion that the awarding of these contracts was unfair and illegal.

Mr. Charles S. Jones, the lowest bidder for the entire contract, (except the Knoxville Marble Company,) to whom a contract for about one-third of the slabs was awarded, says :

On the 27th of October, 1873, nearly two months after the opening of bids, I received a communication from the Acting Quartermaster-General of the Army, (a copy of this letter is appended, marked "A,") desiring to know whether I would agree to furnish about one-fourth the total number of slabs required in the cemeteries at the same price each for which I had in my bid of September 6 offered to furnish both slabs and blocks for the entire work. Now, I had averaged both the slabs and blocks as to price, (as had most of the bidders,) knowing full well that while very little would be made at my price on the former, there was a considerable margin of profit on the latter.

Could I have anticipated any such division of my proposal it would have been stated at \$4.39 for slabs and \$2.39 for blocks; but supposing that, as in all such cases, the aggregate in dollars and cents would be the controlling element in a final award of the contract, I averaged the bid for the two descriptions of work as a mere matter of convenient calculation. Three days before the receipt of this letter from the Acting Quartermaster-General, namely, on the 25th of October, D. C. Sage, one of the bidders, who was then in the city, informed me that he was authorized to state that I would only be given a portion of the work, and if I did not accept what was offered I would not be allowed to have any of it.

Notwithstanding this, regarding the proposition contained in the letter just referred to as being grossly unjust and inequitable, as well as in violation of my legal rights as the then lowest bidder for the whole work, four days thereafter, viz, on the 31st of October, I addressed a letter to the Quartermaster-General's Office, (a copy of this letter is appended, marked "B,") in effect declining it. On Tuesday, November 4, 1873, about 11 a. m., I was standing on Seventeenth street, near the northwest corner of the War Department, awaiting a friend from the direction of Georgetown. Turning my eye in an opposite direction, I saw Mr. Sage and another person enter the War Department inclosure at the north gate, and upon reaching the main door under the portico they were met by Secretary Belknap, who received them very cordially, and the three walked together out of the inclosure to the avenue, and eastwardly until I lost sight of them.

About 1 o'clock p. m., same day, Mr. Sage, whom I did not at the moment see, hailed me as I was passing along the north side of F street, near Fifteenth street, opposite the Treasury Department. After the exchange of a few friendly salutations, he asked me how things were going on in regard to the head-stone contracts. I replied that it was impossible to tell, as everything in that line seemed very much mixed. "So I understand," said he, "since coming here this morning, and I hear that Secretary Belknap is very much embarrassed on the subject, hardly knowing what to do." He then proceeded to express his great regret that I had not accepted the offer contained in the letter of the Acting Quartermaster-General of October 27, evidently having a full knowledge of it before meeting me. He stated that if I did not ultimately accept it I would be altogether excluded from the work; but that if I would reconsider my determination, and accept the same, he would pay me as high as \$15,000 in cash upon its being assigned to him, and the same amount to Mr. Morgan for his part. This I agreed to do, and on the same day addressed a letter to the Secretary of War (a copy of this letter is appended, marked "C") withdrawing my letter of October 31, preceding, and signifying my acceptance of the proposition of the Acting Quartermaster-General, dated October 27, 1873. I stated the conversation alluded to, within an hour after it occurred, to Mr. T. P. Morgan, of this city, who will verify what I say in respect to it.

This awarding of the contract as shown by the testimony was unfortunate for the Government, unfair to bidders, and surrounded by circumstances that indicate collusion between the Secretary of War and the successful bidder, Bridges. An impression seems to have prevailed among bidders before the opening of the bids that the letting was not to be a fair one; that it was the intention to give the contract to S. G. Bridges, of Keokuk, Iowa, a man of slight pecuniary responsibility, of no knowledge of the marble business, never having been in it, a jeweler by trade, and a friend of the Secretary. Upon this subject Charles F. Benjamin, chief clerk in the Southern Claims Commission, says in his testimony, (page 68:)

Mr. Eagleson and his partner, Mr. DeVean, had been here several times in the interim, on their way to and from the South, where they had a large business with marble-dealers there, and generally stopped in to see me. They desired to go into the bids the second time. There seemed to have been a great deal of gossip in the mean time, and they were in doubt as to the sincerity of this thing. They told me that they had spent a great deal of money to get information on which to make their former bids; that they had to write to all the transportation companies in the country and spend money to get friends to go and get information about the location of the cemeteries, and so on, and they were not disposed to go into it a second time unless there was going to be a contract given, nor unless it was going to be given out fairly. I told them that, so far as General Meigs was concerned, I was satisfied that it would be fairly done, and that, as I was quite intimate with the Secretary of War, I would go and see him and tell him frankly just how they felt about this thing, that they would like to go into it, but wanted to be assured that it was going to be a fair thing.

Again, this witness says, (page 69:)

What they feared was that there was to be jobbery and political influence, bribery, and all sorts of things of that kind. About a couple of days before the bids were opened one of them came to me and said that he had been over to Baltimore the night before, on the New York train, and on the train he saw the Secretary of War and a man named Bridges, who, he was told, was from Keokuk, and he said some stone-men had said that Bridges was on here with reference to this contract. I said, "I don't think that can be. Why, Bridges is a jeweler at Keokuk; he has got nothing to do with the stone business."

There is some proof tending to show that Bridges's bid for the work was deposited after a part of the bids had been opened; and in this connection the committee refer to the testimony of John M. Wright, viz, (page 20:)

Q. Were you present when those bids were opened?—A. I was.

Q. And that bid of Bridges came in after the other bids were opened?—A. It is my impression that it did. I know that one bid came in, and I am under the impression that it was this one from the color of the envelope. Mr. Bridges and myself then walked toward the Ebbitt House. He said that they could not do anything against that bid; that it was all right; and he invited me to go up to his room in the Ebbitt House, which I did. He then showed me specimens of marble which he had obtained from quarries in Vermont, together with the prices with which the parties had agreed to furnish him with the stone; and then he showed me the amount of work he had done in preparing his bid, showing that he had made abbreviations of names, ranks, regiments, and States, and that he had made close calculations on the lettering. He also showed me a letter, which he claimed was sent by the Secretary of War, in which the Secretary consents that certain abbreviations of names and ranks shall be made. He showed me, also, other letters, which he claimed to have received from the same source on the same subject, or, rather, he showed me the envelopes that inclosed them. This occurred on September 6, 1873. Mr. Bridges professed to be an intimate acquaintance of the Secretary of War, and said that he had seen him frequently on the subject.

Q. Did he intimate to you that he knew that he was going to receive the contract?—A. He intimated to me that he thought he would—that he was certain of it.

But this statement is explicitly denied by Mr. Bridges; and Captain McGonnigle, who superintended the reception of bids, has not been examined before the committee.

The evidence shows that the Secretary of War retained the bids for two and a half months before he made any award; that he divided the

contract into four parts among bidders who did not stand on an equality of price, which the committee believe he was not authorized to do; that he gave as an excuse therefor that one person could not perform so large a contract, although the fact appears that Bridges did buy out all parties to whom contracts were awarded, and thus obtained the control of all the work; that he accepted Bridges's bid, and allowed him more money for his contract than he allowed two other parties for the same character and quantity of work; that after the contracts were let, modifications were made in the lettering and shape of the stones very decidedly in the interest of the contractors; that the original contract, which provided that all work in a cemetery must be completed before any money could be drawn on it, was so modified as to allow contractors to draw 60 per cent. as soon as \$5,000 of material was delivered to a cemetery.

The conclusions of most moment to the public service to which your committee have arrived are the following:

That the awarding of the contracts for head-stones referred to were made in violation of law, and show a disregard of official duty.

That the contracts were not awarded to the lowest responsible bidder, as required by law.

That the separation or division of the contract, and the awarding of parts of the same to different contractors at different rates, claimed to have been done by the Secretary of War in the exercise of discretionary power, is not warranted by any law, and that such discretion was assumed without right, to the prejudice of the Government and the injury of bidders.

That some of the inspections appear to have been corruptly made, and the inspector who made them was unworthy of trust, and the committee are informed that he has been dismissed.

That the changes in form and dimensions of the head-stones, without a corresponding change in the price, have been made by the Secretary of War after the work was commenced, in the interest of the contractor, and, in the judgment of the committee, constitute an abuse of official power on the part of that officer.

In conclusion, your committee find that the awarding of the contracts appears to have been unfair, unjust, and in violation of law, and to have been decided without any proper consideration of the rights of bidders, and with the special purpose to give a portion of the contract to Samuel G. Bridges, of Keokuk, Iowa, who, under his bid, was not entitled to the contract, nor any part of the same; that this Samuel G. Bridges, who figures in the evidence as the friend of the Secretary, purchased all of the contracts that were awarded to others; that he was not a man of sufficient pecuniary means to carry out this contract alone, and without large assistance from other persons.

Your committee further find that the assignees and attorneys of Bridges, who in fact are now performing the work, are responsible and trustworthy men, and are finishing the work speedily, and, so far as your committee can learn, in a workman-like manner.

Your committee further find that when the work shall have been completed there will be left of the appropriation \$200,000 to be covered into the Treasury.

The Secretary of War, Hon. J. D. Cameron, having on the 25th day of July, 1876, issued an order, under the law passed by this Congress, transferring the entire management of national cemeteries and the head-stone contracts to the Quartermaster-General of the Army, who has returned to duty since this investigation commenced, and the com-

mittee having entire confidence that under the management of this officer the work will be prosecuted rapidly and properly, and the rights of both the Government and the contractors protected, do not deem it necessary to offer any resolutions for the consideration of the House, either in regard to the conduct of the officer criticised, or the annulment of the contract.

H. B. BANNING.
WM. TERRY.
J. M. GLOVER.
A. S. WILLIAMS.
A. A. HARDENBERGH.
JOHN REILLY.
PHILIP COOK.
C. D. MACDOUGALL.
H. B. STRAIT.
S. A. HURLBUT.

TESTIMONY

TAKEN BY THE

COMMITTEE ON MILITARY AFFAIRS

IN REFERENCE TO THE

CONTRACTS TO FURNISH SOLDIERS' HEAD-STONES.

WASHINGTON, *February 26, 1876.*

A. F. ROCKWELL appeared before the committee and was examined.

By the CHAIRMAN:

Question. Please state your rank.—Answer. I am a captain in the Quartermaster's Department.

Q. In what are you at present engaged?—A. I am in charge of the office of the national cemeteries.

Q. How long have you been in charge of that office?—A. Since the 18th of August, 1874.

Q. Who was in charge of them before you?—A. Captain McGonnigle, of the Quartermaster's Department.

Q. By whom are you detailed?—A. By order of the Secretary of War.

Q. Where are your headquarters?—A. My office is in the Quartermaster-General's building, corner of Fifteenth street and Pennsylvania avenue.

Q. Is that a rented building?—A. Yes, sir.

Q. What other Army officers are detailed with you in charge of the cemeteries?—A. No others here.

Q. What commissioned officers at any other place?—A. Probably twenty-five commissioned officers in various parts of the country have charge of the cemeteries in their vicinity, and report to the Quartermaster-General.

Q. How many officers are there whose exclusive business it is to look after cemeteries?—A. I am not able to state here exactly. My impression is, however, that there are but three or four; most of the officers in charge of cemeteries are on duty as post-quartermasters or regimental quartermasters, or on other military duty; the care of the national cemeteries in their vicinity being incidental work in addition to their other duties.

Q. Who is in charge of the cemetery at Chattanooga?—A. There are twenty-five or thirty of these officers scattered around the country, but I cannot tell from recollection the name of the officer in charge of that particular cemetery; he has charge of three or four cemeteries. I could tell in a moment if I had my records. I think it is Lieutenant Clark, but I cannot tell positively.

Q. The Army Register does not tell?—A. No, sir; it shows nothing about the duties of any officer.

Q. Has he any other duty besides the charge of cemeteries?—A. He has. He is a post-quartermaster or a quartermaster in some military command; I think at Atlanta.

Q. Is not there a post-quartermaster besides him at Atlanta?—A. Possibly there may be; I don't recollect. By a moment's consultation of my records I can answer these questions accurately.

Q. How many clerks are in your department?—A. There are eleven clerks employed in my office.

Q. Are they all citizen clerks?—A. They are.

Q. How many soldiers are there detailed in your office besides the eleven clerks?—A. None.

Q. How many non-commissioned officers are now on duty in charge of cemeteries and managing them?—A. I do not recall any. All the national cemeteries are managed by civilian superintendents appointed under the law by the Secretary of War.

Q. Do you recollect how much the salaries of the clerks in your department are?—A. There are three who have \$150 per month, two at \$125, five at \$100, and one at \$85 a month.

Q. Making in all how much?—A. One thousand two hundred and eighty-five dollars monthly compensation for the eleven.

Q. How many enlisted men are now on detail in charge of cemeteries?—A. None that I remember.

Q. How many citizens are employed in charge of cemeteries?—A. Do you refer to the superintendents?

Q. All the employés.—A. That I should have to refer to the records to answer.

By Mr. WILLIAMS:

Q. Are not superintendents enlisted men?—A. No, sir; they are appointed under a law of Congress by the Secretary of War from soldiers who were disabled in the service. Generally they are cripples; without an arm, or thoroughly disabled for any physical work.

Q. Do you know how many there are of those superintendents and other employés?—A. I cannot answer that without reference to my records. I can give you the number of superintendents; there are seventy-one. There are eight national cemeteries without superintendents.

Q. Can you give me the aggregate pay per annum of the seventy-one superintendents?—A. I could by figuring in a very few moments.

Q. Have they all the same pay?—A. No, sir; under the law there are four classes; one at \$75 per month, one at \$70, one at \$65, and one at \$60. These are assigned according to class, under the law, by order of the Secretary of War. Subject to revision, the compensation of the superintendents is \$59,000.60. They are paid by the paymaster of the Army from the appropriation for the pay of the Army.

Q. You say that beside these there are other citizen employés?—A. Yes, sir. If I am allowed, I will make a brief statement, which will perhaps answer several questions. The cemeteries, first, have been provided for under a law.

Q. Are the other citizen employés paid out of the Army appropriation too?—A. They are paid from the annual appropriation for the care and maintenance of the national cemeteries.

Q. What is the business of the citizen employés other than the superintendents?—A. The only other employés are generally at certain seasons of the year laborers, who are employed for the care of these various cemeteries.

Q. Have those employés or superintendents houses to live in at the cemeteries?—A. The superintendents have lodges, which are built by the Government from the appropriation for national cemeteries.

Q. Have they any rations?—A. They have not.

Q. Have they any other perquisites of any kind?—A. None, sir, except their pay and their houses to live in.

Q. You say they are all old soldiers?—A. Under the law they must be disabled soldiers, men who have been disabled during the late war.

Q. Are there any officers of the Army living at any of those cemeteries?—A. None that I know of, not one.

Q. How much was the appropriation for those cemeteries last year?—A. One hundred and fifty thousand dollars.

Q. Tell us how the balance of this money is expended other than that paid to the employés.—A. There is paid from the cemeterial appropriation, first, for the construction of walls and lodges; then there is the rent of quarters; (I might explain with regard to that item that at a few of the cemeteries no lodges have been built, and temporary quarters outside have to be hired;) rent of quarters, sheds, and stables, green-houses, trees, and plants, employés, drainage, barrack and office furniture, purchase of tools and stores and miscellaneous expenditure, improvement of grounds, flag-staffs and monuments, water supply, purchase of land, examining titles, &c., and interments. This \$150,000 is used for those various purposes; and in my report, which is before me, there are items for each cemetery and each head of the appropriation.

Q. You say part of this is paid for monuments?—A. Yes, sir. For example, a requisition will be made on the Chief of Ordnance for the erection of a gun-monument at some national cemetery, say a ten-inch gun; the expense of setting that gun up in masonry with shell and cannon balls; that is what is meant by the item of monuments. The items are all small for that work; various cemeteries have that kind of work done.

By Mr. WILLIAMS:

Q. That is purely ornamental?—A. Yes, sir; purely ornamental.

Q. Do you recollect how much appropriation you have asked for of that kind for next year?—A. Yes, sir. I have asked for \$250,000. In explanation of that I would like to say that at all of these eighty cemeteries there have been erected lodges for the superintendents and inclosing-walls of brick or stone, with the exception of at thir-

teen cemeteries there are no lodges, (including Phinn's Point, one which has been recently established, fourteen,) and there are eleven where there are no walls—twelve, including Phinn's Point. I state in my report that "this office has estimated for \$250,000, \$100,000 more than what is annually used, for the ensuing fiscal year, and if this sum be appropriated it is confidently expected that, in addition to the ordinary maintenance of the cemeteries, all the walls and lodges can be built out of that sum." Out of the eighty cemeteries there are fourteen lodges yet to build and eleven inclosing-walls.

By Mr. REILLY:

Q. Do you mean walls entirely around the cemetery?—A. Yes, sir. The wall is the fence around the cemetery. They are built of stone or brick.

Q. How large is the largest one of those cemeteries; how many acres?—A. I cannot speak without reference to the record, but my impression is that Arlington is one of the largest; there are in the vicinity of three hundred acres in it, and that is entirely inclosed with a stone wall.

Q. How large is the one at Chattanooga?—A. It is not so large, but its area I can tell by reference to the records.

Q. How large is the smallest one?—A. The smallest one is probably the one at the battle-ground, out near the Soldiers' Home; that is probably not to exceed three acres; perhaps four.

Q. Would not a wooden fence be more lasting than a brick wall?—A. O no, sir; the wooden fence that we built at Fort Gibson in 1868 is now in ruins, and we hope to be able to build a wall there.

Q. It must have been built of poor material.—A. It was built of oak and walnut that I sawed from trees that I cut down, logs that I hauled to my mill, lumber that I sawed myself.

Q. How much do the lodges that you build cost?—A. So far as my recollection goes, they average between four and five thousand dollars; of the four lodges which were built within the last year three cost \$4,600 each, and one something less than that.

Q. What are they built of?—A. They are of stone or brick.

Q. How many rooms do they contain?—A. They contain three rooms on the first floor, with three attic rooms; they are a one-story building, with a Mansard roof and attic rooms.

Q. Do you build stables to all these cemeteries?—A. At some of them there are stables. At some of the large cemeteries there is kept during the year sometimes one or two animals for the care of the cemetery. A good deal of money has been spent upon the cemeteries and their beautiful places. They partake somewhat, in my judgment, of the nature of national parks in various parts of the country.

Q. How many of those cemeteries have stables?—A. That I can answer by reference to the records.

Q. How many horses have you at those cemeteries?—A. That also I can tell by reference to the record.

By Mr. REILLY:

Q. Where there are horses furnished, the Government pays for them too?—A. Certainly, sir. Everything is public property.

Q. Is the entire place at Arlington covered with graves?—A. No, sir.

Q. Does not the party occupying that cultivate portions of it in any way, or does he get grass off the portion that is not so occupied?—A. The place is in charge of the superintendent, and the cemetery is under the immediate charge of the deputy quartermaster in this city, General Myers. It is nearly covered with trees, according to my recollection of driving through it. It is more of a park than anything else, filled with beautiful drives and roadways.

By the CHAIRMAN:

Q. Do the superintendents at those cemeteries mostly all have gardens?—A. Under the direction of the Secretary of War, if there is any portion of the cemetery that can be properly used for that purpose, they are allowed to cultivate a small piece of ground for such vegetables as they need for their own use. Such cultivation does not grow into an abuse. Frequent inspection is made of the cemeteries; one inspection a year by the officer appointed under the law. These things are all regulated by the local officers in charge, and by the inspectors. Frequent inspections also are made by the engineers in my office.

Q. How many Government wagons or other vehicles have you at these cemeteries?—A. I will answer that by reference to the record.

By Mr. REILLY:

Q. Does the law require the furnishing of houses to the superintendents?—A. I don't recollect whether the law calls for that, but in the annual appropriation made for the

past ten years I think the language of the law covers the expenditures that have been made. These lodges and walls have been building during the past ten years, under the annual appropriations made by Congress for the care and maintenance of the cemeteries.

By the CHAIRMAN:

Q. Does the Government pay for the furniture of these lodges?—A. It does not, except that the superintendent is entitled to a desk to transact his business and take care of his papers—some office-furniture.

Q. There is, I see, an item of \$5,943 for water-supply; does that mean for digging wells, or what?—A. Yes, sir; that is for digging wells and for the supply of water at the various cemeteries.

Q. Employés, \$47,617; what does that include?—A. Those are the employés of the cemeteries outside of superintendents. Those employés are paid from the annual appropriation for the care and maintenance of the cemeteries. The superintendents are paid from the Army appropriation; those employés consist of laborers and gardeners—those that have charge of the trees and flowers—but principally laborers.

Q. How many cemeteries are there at which you have green-houses?—A. That I can answer by reference to the record.

Q. You have two miscellaneous items, "miscellaneous purchases and repairs, \$6,000," and "miscellaneous, \$8,000." Why are the miscellaneous charges put in two items?—A. One refers to the purchase of any little article that is required at a cemetery, for example a tool of any kind, and the other refers to repairs.

Q. One of them reads, "miscellaneous purchase and repairs," and the other simply "miscellaneous."—A. The last item of \$8,610.22 refers to clerks, advertising, and printing; clerks, postage and stationery, transportation, barrack and office furniture, and seeds for distribution. Those are the miscellaneous expenditures in my own office, clerks and everything of that kind. Then the other "miscellaneous repairs" refers to any simple purchases of tools that are authorized by either of the quartermasters at the various cemeteries; for instance, a cart has been repaired or any little item of repair which involves an expenditure of five, ten, or twenty dollars, whatever it may be.

Q. What is the advertising you speak of?—A. It is advertising for contracts. I have an advertisement now out authorized by the Secretary of War.

Q. Contracts for what?—A. For the building of lodges and walls. They are built under contract.

Q. Do you know how much you pay for advertisements?—A. There is the item of last year, \$378; the advertising is done by order of the Secretary of War under existing laws.

Q. The seeds for distribution are those that you purchase and distribute to the various cemeteries?—A. Yes, sir. They are principally flower-seeds, flowers, shrubs, &c., for beautifying the cemeteries.

Q. Where are these purchases made?—A. They are, as a rule, made by the local officers in charge of the cemeteries. The mode of distributing this appropriation is this: The \$150,000 at the beginning of the fiscal year is allotted to the various cemeteries according to their size and importance and the probable expenses that will be required. To a cemetery there will be allotted so much for employés, so much for seeds, so much for drainage, so much for the various heads that you see there in the report. Then the allotment is made out and submitted to the Quartermaster-General, by whom it is approved. Then the various local officers in charge are informed of their allotment, and they know that they cannot expend a dollar in excess of the allotment. It is equivalent to an estimate for the year. If from any cause it becomes necessary to make a greater expenditure, for example under the head of drainage, than is allotted for that particular cemetery, they report the facts and request the authority to have so much more. If approved by the Quartermaster-General, that additional amount is remitted to them from the Treasury. The remainder of the appropriation after the allotment is made has been, since I have been in charge of the office and during my predecessor's time, used for the erection of these walls and lodges. We have been gradually trying year after year to get up a few walls and lodges. During the past year we have erected four lodges and two walls. I have advertisements out now for two lodges and two walls for erection the coming year.

Q. Would not any one of several of the cemeteries afford ample room for the interments that are made in all the cemeteries?—A. Possibly it might; but with reference to that I might say that the cemeteries are now a fixed fact, as it were; a great deal of money has been expended upon them; the new head-stones are being rapidly erected under the appropriation of \$1,000,000 which was made in 1873.

Q. Would it not be attended with very great economy even to disinter all of them and remove them to one general cemetery?—A. I think it would involve a very great expense to begin with; and I think it would shock the sentiment of the relatives of the dead.

Q. I did not ask you about that; I asked you about the economy of it.—A. Pardon me, sir; I made the answer on impulse.

Q. Would not the annual expenses that will be necessary, according to your report to keep up these different cemeteries, pay for disinterring and burying these people all in one general cemetery, in a very few years?—A. In my judgment it would not, for this reason: So far as I can look at the question here, the expense of transferring the 300,000 bodies from various parts of the country to one general cemetery would involve a very great amount of outlay, and the money which has already been expended upon these various cemeteries would be lost.

Q. Is the fee of these cemeteries mostly in the United States Government?—A. It is, sir. I think, with scarcely a single exception, the United States has the title to every cemetery. The cession of jurisdiction by the States in some instances has not yet been granted, but as the legislatures meet we are making application to them for cession of jurisdiction, and it is in most instances granted.

Q. After these cemeteries are completed as to lodges, what will be about the necessary annual appropriation, in your opinion, to keep them up?—A. I think \$100,000 a year would be ample to keep them in good repair, in good condition. That would be a minimum amount, in my judgment.

Q. What amount of money has been appropriated by Congress to supply head-stones to these cemeteries?—A. One million dollars was appropriated for the purchase of head-stones for the national cemeteries.

Q. Are the contracts for those head-stones under your supervision?—A. The details of their execution are under my supervision.

Q. Under whose supervision is the making of the contracts?—A. Under the law the contracts were made by the Secretary of War.

Q. How were these contracts made?—A. They were made in obedience to law by advertising for sixty days in the usual way; the awards were made by the Secretary of War, and the contracts were made, under his direction, by the Quartermaster-General.

Q. Have those contracts all been made?—A. They have, sir. They were made, before I assumed charge of the office, by the Quartermaster-General, under the direction of the Secretary of War.

Q. Are those contracts in your keeping or in the Quartermaster-General's?—A. They are in my charge; one copy of each contract. There is a copy on file in the War Department and in the Quartermaster-General's Office for information.

Q. With whom were those contracts mostly made?—A. Five contracts were made; four of them for the erection of the head-stones for the graves of the known soldiers and one contract for the head-stone blocks to mark the graves of the unknown soldiers.

Q. Who were the parties with whom those contracts were made?—A. One contract was made with Samuel S. P. Morgan, of this city; another with C. S. Jones, of this city; another with S. G. Brydges, of Keokuk, Iowa; another with E. P. Doherty, which is a solitary contract for Fredericksburgh for slabs and blocks of granite, (all the rest are of marble;) and the fifth contract, for the blocks for the unknown, with D. C. Sage, of Cornwall, Connecticut.

Q. Do the contracts require the placing of the stones?—A. Yes, sir; my report goes into full detail of that.

Q. Have any of those contracts been annulled since they were made?—A. The one for the Fredericksburgh cemetery has not been annulled, but it has been declared forfeited, and the work is now being done by the United States through an agent, who was the subcontractor for the original contractor.

Q. Was it forfeited because of the failure to perform?—A. Because of failure to perform and after repeated extensions, and because there was no possibility of the work being completed in time.

Q. What will those stones cost under the contract? Are the contracts all at the same price?—A. No, sir. They average about \$3.50 for head-stones, and \$2.50 for blocks for the unknown soldiers; that is the average. I will correct that by the actual figures.

Q. Will the contracts, as made, require the entire appropriation?—A. No, sir. A careful estimate which I have stated officially to the Secretary of War will result in finishing the contracts for \$200,000 less than the appropriation.

Q. When will those contracts be carried out?—A. Under the existing agreement they should be finished on the 1st of July, 1876. My impression, however, is that they will not be finished at that time, and that an extension of time will be required. The work is a very gigantic one and is being prosecuted now, and has been for a year past, with all the energy and rapidity which could be reasonably expected, in my judgment.

Q. Is the money paid upon them as the work progresses?—A. Sixty per cent. of the money is paid whenever the stones are delivered, and evidence of the fact that the freight has been paid and the stones delivered; when the entire lot is delivered and there is evidence of the freight being paid. Then when the stones are set, and all the

terms of the contract are complied with, the rubbish cleared away, and all that, 30 cent. is paid, and 10 per cent. is ordered retained until the completion of the contract.

Q. Were these contracts all let to the lowest bidder?—A. So far as I know, they were; but I had nothing to do with them. Colonel Mack, of the War Department, who had charge of all the details, could give you precise and accurate information in regard to it.

Q. What is the whole number of graves in all the cemeteries?—A. My report shows, I think, 306,000.

By Mr. REILLY:

Q. Was that 40 per cent. retained from that man who did not complete his contract?—A. We had never paid him a cent, sir.

By the CHAIRMAN:

Q. Are there any reductions that can be made in the labor and assistants employed in your office, clerks or others?—A. I do not think there can be. The clerical force employed in my office is unusually large, for the reason that the execution of these head-stone contracts is an unusual incident in the work of the office, and a great majority of the employés are engaged upon that work. The money to pay their expense has already been appropriated. We do not need any additional appropriation. The force employed there is a temporary force, and when the work that is to be done is complete it can be very largely reduced. If it takes one man ten days to do a given piece of work, ten men will do it in one day. For those 306,000 head-stones, it is absolutely essential that the inscriptions should be accurate. The great bulk of the work is in preparing accurate inscriptions. To do that we have to search all the records of the Adjutant-General's Office, and we are in correspondence with the adjutant-generals of the various States. The work of preparing accurate lists of the dead is a very laborious, delicate, and intricate one. The men employed on that work are trained, and it is work that has to be done once and then it is done forever, and when done the services of this extra force will be no longer required. With the completion of the head-stone contracts these men will not be required, unless it should be decided by Congress to make a revised roll of honor of these dead soldiers, and then probably their services would be required for six months longer. That would be perhaps desirable.

Q. Does not the Adjutant-General's Office at Washington contain all the information upon these subjects that is contained in the adjutant-generals' offices of the different States?—A. It would seem not, sir. There are great discrepancies at various times, and we have to search in various places to get accurate information.

Q. Your information consists of the name, company, and regiment of the soldier, as taken from the company-rolls, does it not?—A. The law requires that the inscription upon the head-stones shall give the name, rank, and State of the soldier. We have to get that information. The company and regiment under the law is not required.

Q. That information is not contained in the Adjutant-General's Office here?—A. Not necessarily. The greater portion of it can be obtained there.

Q. What States, if any, have failed to supply the Adjutant-General's Office with these rolls?—A. This information is furnished us by the adjutant-generals of States direct. We are in direct communication with them.

Q. Is there anything in the way of your procuring it from the Adjutant-General's Office here direct?—A. We do get a great deal of information from that Office, but there are facts concerning the death or interment of soldiers that are not here in the Adjutant-General's Office. Of course the great amount of information that we get is from the Adjutant-General's Office here; but there are items of information concerning this or that individual that cannot be found in the Adjutant-General's Office. As a matter of fact, we get a great deal of corrected information from the adjutant-generals of the States.

Q. What information are you required to get in your office under the law providing for the inscriptions upon those tombstones other than that which you have named which should be in the Adjutant-General's Office?—A. I know of no other information than that which requires us to get the correct name of the soldier, his rank, and his State; and we get from any possible source that is available.

Q. Ought not less than half the number of clerks that you now have employed be able to procure this information as fast as the contracts can require it?—A. That is the question. These head-stone contractors are calling upon us for lists as fast as we can prepare them, and with a less force the work of the contractors would be retarded. We are working every man up to the closest mark possible to meet the requirements of the contractors. They are turning out their stones at the rate of five hundred slabs a day from their mills.

Q. What surplus, if any, will you have of the appropriation to your office for this fiscal year?—A. For national cemeteries; the \$150,000?

Q. Yes.—A. It is my intention not to have a dollar. We make the appropriation available down to the last cent in this way: we allot it, as I stated before, to each cemetery.

By Mr. REILLY :

Q. You think there will be \$200,000 saved from that appropriation for head-stones?—

A. Yes, sir.

Q. Now, if it is certain that that will be saved, why should not that be assigned to the cemeteries as your regular appropriation?—A. I see no objection to that, but under existing laws we cannot spend money out of one appropriation for another purpose.

Q. Suppose we fix that for you?—A. O, yes; if Congress were to say that any balance out of the \$1,000,000 for head-stones should be used for the care and maintenance of cemeteries, it would be available for that purpose, but until Congress took such action we could not spend a dollar of it for any other purpose than the head-stones.

WASHINGTON, *March 4, 1876.*

OSCAR A. MACK sworn and examined.

By the CHAIRMAN :

Question. What corps of the Army do you belong to?—Answer. The Twenty first Infantry.

Q. In what are you at present engaged?—A. I am on duty in the War Department, and have been since 1869. My duties there are of a miscellaneous character. Since April, 1870, I have had the inspecting of national cemeteries in addition to my duties in the Office.

Q. What, if any, other Army officers have been engaged in the inspection of national cemeteries?—A. I am the only officer that has been employed properly as an inspector, under the law of February, 1867, by the Secretary of War; but various officers of the Quartermaster's Department have been employed in cemeterial duty. Every cemetery is under the charge of some quartermaster, the nearest one, or the acting assistant quartermaster at the nearest post. He is the immediate superior of the superintendent; but the cemeterial office here in Washington is under the charge of Captain Rockwell, (his predecessor was Captain McGonnigle,) both of the Quartermaster's Department.

Q. Are there any other officers of the Army whose business it is to inspect cemeteries?—A. Yes; every quartermaster that has charge of a cemetery is expected to personally visit it occasionally and inspect it to see that it is properly taken care of, but he does not make reports to the Secretary of War. He makes his report to the Quartermaster-General.

Q. How many citizen inspectors are there?—A. There are five engineers; we do not call them inspectors; they are civil engineers employed to inspect the work that is going on at these cemeteries, particularly now that the head-stones are being furnished.

Q. How long have they been employed?—A. One of them has been employed, I should think, five or six years, perhaps six years. He was employed to rebuild the Vicksburgh cemetery after it was washed down, and I think he has been continued ever since. The others have been employed since the commencement of the head-stone contracts, I think; possibly one of them was employed before. I know I recommended the employment of one to inspect work that was being done at cemeteries, on account of the inferior work that I had discovered.

Q. Are there five or six of them in all?—A. My impression is that there are but five. There are six.

Q. What is their pay?—A. I cannot tell.

Q. Where are their homes?—A. I do not know of but one; his home is in Washington.

Q. What is the name of the one who lives in Washington?—A. Chenowith.

Q. Is he a civil engineer?—A. Yes.

Q. Was he an officer of the Army, do you know?—A. No, sir, I think not; I never heard that he was.

Q. Do you know anything of the letting of the contract for headstones?—A. Yes.

Q. Does that come under your supervision?—A. Yes.

Q. Who was the contractor?—A. There were several. The work was divided up and the contracts were awarded to five parties. The act of March 3, 1873, appropriated \$1,000,000 for the procuring and setting of head-stones in the national cemeteries, over the soldiers' graves, and it was ascertained that it would require about 253,000 head-stones. This made the price for each individual stone very small, considering the extent of transportation that would be required, which would be a great item. This law required the Secretary of War to designate the materials to be used, the form, size, color, and everything about the headstones, before advertising. He designated white marble and gray granite, and the specifications were prepared prescribing for the known soldiers a slab 4 inches thick, 10 inches wide, and 3 feet long, for the latitude of Washington and south, and 3½ feet for places north of Washington, to be inserted in the ground so that there would be 1 foot above the ground, and for the unknown a

block 6 inches square and 3 feet long. The advertisements were made according to law by the Quartermaster-General, and I think about eighty bids were received. The law required that the contract should cover the whole of the work or none could be entered upon. It was found, upon opening these bids, that thirteen of them came within the \$1,000,000. There were fourteen bids, but in one of them—the lowest—the material was not white marble or gray granite, and it was thrown out, so that it left thirteen bids to select from. The bids were for slabs and blocks, each bidder bidding for both, and covering the whole work. After the bids had been opened, two of the bidders—the lowest bidder for slabs and the lowest bidder for blocks—entered into some correspondence and informed the War Department that they would like to have their bids for the slabs and for the blocks separated. Previous to that it was supposed that each man considered that his bid for both slabs and blocks were to be taken together. The bidder for the blocks was a Mr. Sage, of Connecticut, and his bid was so much lower than any other for blocks, and his quality of marble was so good, that he had really no competitor. In the bids for the slabs there was not such a marked difference, and the Secretary decided that he would divide the contracts for the slabs for the known among the four lowest bidders. I ought to say, though, that there was a firm in New York, named Walsh Brothers, who bid for Italian marble. Their bid was lower than some of the others, but it was decided not to accept it, because they bid for foreign marble, and it was understood that the work was to be done abroad; and as it was known that we had good marble in this country it was thought desirable to have the work done here. So they were ruled out. It was also known that granite was the best material that could be used, but the bids were so high that it precluded its use, except at one cemetery, Fredericksburgh, Va. It was found that we could have granite used there and marble at the other cemeteries and still be inside of the appropriation. E. P. Doherty, of Washington, was the bidder for the granite head-stones at Fredericksburgh. It was decided to offer him the contract for that cemetery for granite, and Mr. Sage the contract for the balance of the head-stones for the unknown; and the balance to Mr. Jones and Mr. Morgan, of Washington, S. G. Bridges, of Keokuk, and the Brandon Marble Company, (represented here by Mr. Goodell;) to divide the cemeteries as equally as we could conveniently, and have the difficulties of transportation equalized among them. Mr. Jones and Mr. Morgan declined to accept this offer; they would take the whole work, but they declined to accept the portions offered them. Mr. Bridges accepted it. Mr. Goodell did not respond to the offer that was made. This was in the fall of 1873. It was desirable to have the contracts closed as soon as possible, but I think we waited about a month to hear from Mr. Goodell and did not hear anything, and the portion of the cemeteries that had been allotted to him was added to the other three lists that had been made, and another offer was made to the other three parties. Before this, Mr. Jones and Mr. Morgan changed their minds and notified the Department that they would accept the contract for those cemeteries or any others that were offered. So, after waiting this time for the Brandon Marble Company, the three lists were made up embracing all the cemeteries except Fredericksburgh, and they accepted those offers and entered into the contracts, filing the required bonds. Doherty and Sage made the contracts for the portions allotted to them; and it was under those five contracts that the work was commenced and is now in progress. These contracts were not executed until the 31st of December, 1873, so that nothing could be done that winter, and nothing was done until late in 1874.

Q. Were the contracts signed in 1873?—A. Yes, sir; I think they were dated December 31.

Q. And the work was not commenced until when?—A. There was no setting of head-stones done until late in 1874, but the work of preparing them commenced some time in the spring of 1874. Mr. Jones formally abandoned his contract, and wanted to have his sureties released, but he was notified that they could not be, and the Quartermaster's Department took charge of the work. Mr. Morgan signified his willingness to undertake Mr. Jones's work at Jones's bid, and he was allowed to undertake it as the agent of the Quartermaster's Department. These contracts were all executed, and provision made for the supervision of the carrying out of the contracts by the quartermaster in charge of the cemeterial office in this city; first Captain McGonnigle, and afterward Captain Rockwell.

Q. Were any of these contracts abandoned after they were commenced?—A. No, sir; not after they were commenced. Mr. Jones had not commenced his. He lived here in this city.

Q. Who was the contractor from Iowa?—A. S. C. Bridges, of Keokuk, Iowa.

Q. How much of a contractor was he?—A. Well, as I have stated, he had offered him the one-fourth part of the slabs for the known at first, and then when the Brandon man did not respond, that part was added on to the others, and I think Bridges had rather more than a third of the entire contract.

Q. Did he go on with the contract himself?—A. It went on in his name. He was the contractor, but his bondsmen furnished the capital and superintended the work.

One of them was Geo. Williams and the other was Mr. Connable, both of Keokuk—both men of ample means.

Q. Has that contract been fulfilled?—A. I do not think it has been completed yet. I do not think any of them have. Mr. Bridges and his bondsman, Mr. Williams, who was the working man, quarreled, and Mr. Bridges succeeded in settling with him in some way and securing the control of the other contracts under the firm of Sheldon & Slosson, marble-men, of Rutland, Vt., and they, I suppose, are the men who are really carrying out the contract to-day.

Q. Did Mr. Bridges sell out his contract?—A. No; I think not. I think it is the other way; that he has nominally bought out the others; but, under the law, they cannot sell a contract.

Q. But he was the contractor for one-third; is he still carrying out that contract for his one-third?—A. Yes, sir.

Q. Whom do you say he bought up?—A. I think he has nominally bought up Morgan and Sage; and Mr. Morgan had Mr. Jones's work assigned to him; so that makes the whole of it. But that is a private arrangement, which we have nothing to do with, and their bondsmen are not released. We look to them for the fulfillment of the contract. There are certain powers of attorney that have been exchanged between these parties. They all go to the Second Comptroller of the Treasury to see whether they are legal and binding. I do not know the nature of them.

Q. Is there anything more you want to say on that subject?—A. No, sir; I don't recall anything.

Q. Do you inspect anything more than the stones themselves—the grave-yards also?—

A. Yes, sir; everything. My inspections are not for the acceptance of these stones, or anything of that kind; the engineers are men who examine and accept; but I go around to see that the engineers do right, and that the work under the Quartermaster's Department is properly done. The blocks for the unknown cost \$2.42 apiece. The slabs vary in price. The lowest bid, Mr. Jones's bid, was \$3.39, and the highest, from Mr. Bridges, was \$3.56. The slabs run between those prices.

By the CHAIRMAN:

Q. You, in the performance of your duty, have charge of the yards, and supervise the work that the inspectors pass?—A. Yes, I examine everything; criticise anything that I think is not right, and make suggestions as to what ought to be done. I have to examine into the conduct of the superintendents—into everything pertaining to the appropriate management and control of the cemeteries.

Q. All these parties make subcontracts for the supplying of these stones?—A. Under the law they cannot transfer a contract.

Q. I know they cannot, under the law, but do they do it?—A. No, sir; they have had to keep within the law, because everything has gone to the Comptroller for his ruling as to whether they were within the law.

Q. So far your statements have been with reference to the marble-contract. That was all in the hands of Bridges ultimately, was it not?—A. It is now.

Q. How is he paid—on your recommendation?—A. No, sir. The engineers make a certificate that the work is done, and it is sent to Colonel Rockwell, and he makes the payment. I have nothing to do with it. If there is anything that requires reference to the Secretary of War it goes up from his office to the Quartermaster-General; but all the details of the payment and the work is in the Quartermaster's Department.

Q. Now, in reference to granite, what do you say?—A. Mr. Doherty had the contract awarded to him for the "known" and for the "unknown" in the Fredericksburgh cemetery. The graves amounted to between six and seven thousand—I do not recollect the number. He had submitted as a sample a block of granite in a quarry near Fredericksburgh, but he made an arrangement with a granite company (of Andrew and Ordway, I think) at Richmond to supply Richmond granite. The first stones that he reported ready for inspection were rejected by the inspector, Mr. Chenowith, both for inferior quality and bad work. Mr. Doherty, I think, had him inspect them again, stating that he had thrown out the bad stones or had had them redressed, but they were again rejected. Mr. Chenowith was sustained by the Quartermaster-General, and Mr. Doherty appealed to the Secretary of War, complaining that the engineer was incompetent; that he did not know what good stones or good work was. General Meigs, who is an engineer himself, indorsed Mr. Chenowith and vouched for his competency and integrity, but Mr. Doherty was so persistent that the Secretary directed Captain McGonnigle (who was then in charge of the office) and myself to go down to Fredericksburgh and look at the stone that they reported as ready to be offered, and we confirmed the report of the engineer and went even further than he did. The granite was of very poor quality, from the top of the quarry apparently, disintegrated and discolored stone; some of it you could punch with a staff and it would flake off. Then Doherty abandoned that Richmond granite and stopped the work for a while. Stones that he had there at Fredericksburgh were levied on for his debts, for board, labor, &c. Some time after that I understood that he had made an arrangement with

Riggles and some other man in Washington to work that Fredericksburgh quarry and get the stone there. After some months, these gentlemen, or one of them, came to the office and complained that Doherty would not pay them and wanted the Department to order payment to be made to them, but they had got no power of attorney from Doherty. I believe they had nothing in writing that they could show, and we told them that we could not do anything about it; that that was a private arrangement between themselves which the Department could not interfere with. About this time the limitation of the contract expired, and these parties wished to have the contract given to them, and Doherty wished to have the time extended. It was reported that his bondsmen were not good, but he offered to give new bonds that would be satisfactory, and upon that ground the time was extended until the fifteenth of last December, and new bonds were filed. After this extension of time, these parties, Riggles and another, instituted a suit against him, and they procured an injunction, which was served on the War Department, not to make any payment under this contract to Doherty or Andrews and the others named, and orders were given them not to make any payment until the suit was terminated or other orders were given in the case.

This work under the contract as extended was prosecuted by Mr. Andrews, and, I believe, with the Westham Marble Company, of Richmond. They had no stone accepted; they had some difficulty with the same engineer in regard to the acceptance of the stone again; and when the 15th of December arrived, although they claimed they had stone that ought to be accepted, no stone had been accepted up to that date, and there had been so much trouble with Mr. Doherty that it was considered advisable to terminate his connection with the contract, at the expiration of his time, as extended, and have the work executed as provided in the contract, as in the case of abandonment or failure. The work was directed to be put under the charge of and carried out by the Quartermaster's Department, but as the Westham Granite Company had already manufactured the head-stones, or a number of them, and had even brought a car-load up to Washington to have them looked at, (Colonel Rockwell and myself went to look at them,) the Quartermaster-General was authorized to allow that company to complete the work as agents, provided they would do it at a price not exceeding that stipulated in the contract. They acceded to the proposition, and I think they are now setting the stone. When Doherty learned that his connection with the contract had terminated, he endeavored to induce the Secretary of War to revoke that decision and allow him to have another trial; but the Secretary declined to do that, and then this Westham Granite Company made an agreement, I believe, (that Colonel Rockwell can testify to,) that they would pay Doherty the same amount that would have accrued to him if they had completed the contract at the time stipulated in the agreement. That satisfied him, and the matter is going on smoothly now; but that is all in the Quartermaster's Department, and the documents and everything in connection with the whole transaction are on file there.

Q. All these operations you had nothing to do with?—A. After the first award of the contract.

Q. All that you had to do was to supervise or inspect it?—A. My duties had nothing specific in regard to the head-stones more than anything else. I had to inspect everything.

Q. When these contracts were let for the head-stones were there any bids at that time known as straw-bids?—A. I do not know. The bids were all opened in the Quartermaster-General's Office, by him, and a tabulated statement of them made and sent up; but so far as I know they were all genuine bids. I looked in the Directory for the name of this man Jones that I have mentioned, but could not find his name. I thought perhaps he might be a straw-bidder. He was notified that he must produce some assurance that he could carry out the contract if it was awarded to him, and he presented a letter to the Department, signed by Geo. W. Riggs, Dr. Blake, and Dr. Kidwell, certifying—they did not say that he was really worth the money; but that he could command means to carry out any contract that was awarded to him. They were men well known, and I suppose knew what he was. Those papers are all on file with the contract. Everything of that kind was kept.

Q. Was there anything at that time, or has anything since come under your observation, in reference to those bids that would induce you to think that there was anything in them except what was perfectly straight, right, and honorable?—A. No, sir; I do not know of anything.

Q. How many cemeteries are there?—A. I think 81.

Q. At each one of these cemeteries you have what you call a superintendent, have you not?—A. There are 8 or 9 cemeteries where we have no superintendent. They are very small, and are at posts or near other cemeteries, so there is no need of superintendents at them. I think there are 73 or 74 superintendents.

Q. The pay of these superintendents does not come under your supervision?—A. No, sir; I have nothing to do with that. The pay is with the Pay Department.

Q. The buildings that are erected at these places, do they come under your charge?—A. No, sir; no more than to see that the work is properly done, and to see if they

have been properly accepted. That is what these engineers are specially employed for, to see that the work is proper. I report whether the superintendents kept the buildings in proper order, and whether they take proper care of them.

Q. You have nothing to do with the employment of them?—A. No, sir.

Q. Do you know Mr. Bridges?—A. Yes, sir.

Q. Do you know in what way he is related to the late Secretary of War—Belknap?—

A. He is not related to Mr. Belknap. He is a townsman of his.

Q. It is charged that he is Mr. Belknap's brother-in-law.—A. I know it is; but I am very sure it is not true.

WASHINGTON, D. C., *March 6, 1876.*

EDWARD P. DOHERTY sworn and examined.

By the CHAIRMAN :

Question. Where do you reside?—Answer. I reside at 1459 Pierce street, Washington

Q. Are you an Army officer?—A. No, sir; I am a citizen.

Q. Have you been an Army officer?—A. Yes.

Q. How long since you left the Army?—A. I left the Army on the 27th December, 1870.

Q. Were you in the Regular Army?—A. Yes; I was first lieutenant of the Fifth Cavalry.

Q. Were you an officer during the war?—A. Yes.

Q. In what capacity were you serving when the war closed?—A. I was captain of the Sixteenth New York Cavalry.

Q. Are you the officer who captured Booth?—A. I commanded the expedition that captured Booth and Harrold.

Q. Have you been a contractor to supply head-stones for soldiers' graves?—A. I have been for the Fredericksburgh National Cemetery only. The contract amounted to about 2,800, according to the number of graves of known soldiers.

Q. Were you an original or a subcontractor?—A. I was an original contractor.

Q. To whom did you submit your bid?—A. I wrote a letter to General Meigs, an informal letter, stating that I would supply granite blocks at \$3.50 apiece, and granite slabs at \$3.95, to the Fredericksburgh National Cemetery.

Q. Were there any bidders against you?—A. There were quite a number of bidders, but I was not present when the bids were opened. Subsequently I received a letter from Colonel Mack, of the War Department, asking me if I could furnish security providing the contract was given to me. I called upon him and asked him the amount of security, and he said that it would probably be double the amount of my contract, which would make it about \$50,000. I told him that when he informed me of the amount of the security, and that I was going to get the contract, I would tell him whether I could furnish the security or not. He finally told me that he would give me the contract, and we made the contract, and I furnished the security to the amount of 20 per cent. of the amount of my contract, which made the security only \$5,000.

Q. Who were your securities?—A. James M. Orme and Henry Himber.

Q. How far have you progressed with your contract?—A. I am out of it. My contract has run out. I had better explain. My contract ran out on the 15th May last, but I got a renewal of it for six months. I sublet it to the Westham Granite Company, of Richmond. The renewal ran out on the 15th November. I then applied for six months' extension, and I was given thirty days. In the mean time we commenced shipment of head-stones, slabs, and blocks from Richmond as fast as we could. There were 1,049 of them in the cemetery, and between three and four thousand on the way to or at Fredericksburgh. On the 17th November Mr. Chenowith, the civil engineer, came down and refused to set up more of them. He commenced setting them and then went away and would set no more. My contract ran out again on the 15th December last, when it was taken from me, in consequence of my not having finished the work.

Q. How much money have you received on it?—A. Not a cent from the United States.

Q. Has the work been finished since?—A. No, sir.

Q. Who has it now?—A. The Westham Granite Company, my subcontractors.

Q. Then the contract was given out to the party to whom you had sublet it at the time it was taken from you?—A. Yes.

Q. Was the party then going on with the work?—A. They were.

Q. What was the reason for taking the contract from you, and giving it to the party to whom you had sublet it?—A. That can be explained at the War Department; I do not know. Mr. Chenowith, the engineer, was continually harassing me and condemning the work; and my agent at Fredericksburgh, when a car-load arrived there which was condemned by Chenowith, sent it up to Washington, and we called upon

the Government to make an inspection of it. We got a Government engineer and experts to go down to the railway depot and examine the car-load of stone, and they pronounced it better than the contract called for. Everything then seemed satisfactory, and I supposed that I would get a further extension to finish the work, but when I went to Colonel Mack he told me that they had had trouble enough; that the contract had run out, and that he declined to renew it. I then told him that I had been two years at work upon it, and that it was a hardship upon me as well as on my subcontractors. He said, "The law gives us the authority to buy the stone, and go on and finish the work ourselves."

Q. Was the contract made by the Government with your subcontractors for any less or greater amount than you had contracted with them to do the work for?—A. That I do not know. The Government was always insisting on more work on the stone. I had given more work than the contract called for.

Q. Your contract was in writing, and is on file in the War Department?—A. Yes; I have a copy of it, and also copies of both extensions.

Q. Colonel Mack is the inspecting-officer of cemeteries, is he not?—A. Yes.

Q. Was he the inspector of your work?—A. He was the inspector of cemeteries, but there was a subordinate inspector over my work, G. D. Chenowith. He resides in Washington City; his father is a preacher here.

Q. What is his business?—A. He calls himself an engineer. He is one of the civil engineers appointed for this cemeterial work by the War Department. When the Westham Granite Company took that work from me in May, 1875, myself and Mr. Andrews went to see Captain Rockwell and told him that if this man Chenowith had anything to do with the work we would not take \$20 a stone to go on with it, because he did not know his business and was continually condemning the stone, and it was either capriciousness or ignorance on his part.

Q. Who composed the Westham Granite Company?—A. The Westham Granite Company is composed of J. C. Smith, of Buffalo, N. Y., as president; Snowden Andrews, of Baltimore, as treasurer. Albert Ordway was secretary a short time, but I don't know whether he is still in the company or not. Mr. Ordway lives in Washington now, and is clerk to the Committee on Education and Labor.

Q. Had that company any other contract to furnish stone for the Government but this one?—A. The company furnishes the granite for the new building for the State, War, and Navy Departments, and this was the same stone which was furnished to that building.

Q. Did that company furnish any other head-stones?—A. Not to my knowledge.

Q. Did Mr. Bridges, of Keokuk, Iowa, have anything to do with this contract?—A. Not with mine. He furnishes marble.

Q. Was he interested with you in any way?—A. No, sir.

Q. Are you at present interested in any way in this or any other contract to furnish stone?—A. This was my last contract, and it ran out. I am not interested with the Government at all in any contract. I expect to get something out of the Westham Granite Company.

Q. Is there any agreement between you by which you are to get anything?—A. Yes.

Q. What is that agreement?—A. The agreement is that the company will pay me the same as if the contract had been in my name, providing I would not interfere with them but would let them go on with the work.

Q. When was that agreement made?—A. That agreement was made after the Secretary of War had refused to extend my contract. Then I threatened to enjoin the company. I took legal advice on the subject, and they then wrote a letter stating that they would pay me this percentage, and I accepted it. This letter was written to Captain Rockwell.

Q. Did they get any better terms for themselves under this agreement than they had as contractors under you for the same work?—A. I cannot say; I do not know what their agreement with the Government is. I know that the stone which was condemned on me was accepted from them.

Q. After you had been discharged and the contract was off as between you and the Government, and as between you and them as subcontractors, they came in and took the contract from the Government?—A. Yes; they came in and took the contract from the Government. They had expended all the money on this last contract.

Q. In making the new contract with them did the Government advertise for bids?—A. No, sir.

Q. Do you know who, on the part of the Government, contracted with them?—A. Captain Rockwell, under the direction of Colonel Mack.

Q. Did he contract with them knowing that they were subcontractors under you to finish the work?—A. Yes.

Q. You had given the Government officers that notice?—A. Yes; we drove down in the same carriage, Mr. Andrews, Colonel Mack, Captain Rockwell, and myself, and made an examination of the stone that had been condemned in Fredericksburgh, and

had been sent up here, and which had been pronounced by experts in the new State Department building as better than the contract called for. I told Colonel Mack that it was a great hardship for these subcontractors and a great hardship for me at this last hour to take the contract from me. He said, "We cannot help it; we have had too much trouble about it."

Q. What did they give as a reason for taking the contract away from you and giving it to the same parties to do to whom you had sublet it?—A. I called Colonel Mack's attention to the fact that they were defaulters and not me. I remarked that I didn't have much to do with it lately. I said that I had spent a great deal of money, and had just returned from Fredericksburgh, after spending a good deal of time in Richmond, and I had opened a quarry at Fredericksburgh, Va., at my own expense.

Q. Had you any other contractors with you in this matter?—A. I had—Kelley and Riggles, as subcontractors.

Q. What were they furnishing?—A. It was for the same work. After I had opened a quarry at Fredericksburgh these other parties made a proposition to me to do the work and to furnish the head-stones. They proposed to furnish the blocks for \$2 a piece, and the slabs for \$3. My partner, Samuel Little, and I gave them the contract. I remained there some ten days afterward to see if the work was progressing. It was not going on very well. I had to return to Washington, and I waited here for a month or six weeks. I found that the work was not progressing satisfactorily, and I called upon the Government to send an engineer down there to examine the quarry and the progress of the work. Mr. Chenowith was sent down, and he reported that the stone was of a satisfactory kind. Mr. Kelley then returned from Fredericksburgh, and told me he would not go on with the work unless I paid him a larger amount. I told him that as Mr. Little was not in town I declined to have anything to say to him. I consulted Little, and after the consultation I went back and asked Kelley how much more they wanted. He said they wanted \$2.50 apiece for the blocks and \$3.50 for the slabs. I then told them that Mr. Little would not do that. Then Kelley said, "You can influence Mr. Little and we will divide with you." I said, "No; Mr. Little is my partner," and I immediately went and told Little the proposition. Immediately after that they said there was a clause in my contract which gave them to the 15th of April to finish the work, and they would not go on with it unless I paid them more money. They also showed me a piece of stone which Mr. Chenowith had given them, telling them to go to Richmond for the stone. A few days afterward they abandoned the quarry at Fredericksburgh. Their contract with me ran out on the 15th of April, and my contract with the Government ran out on the 15th of May, and there was no work done except what stone I had shipped from Richmond in the early part of the season—probably 1,500 slabs and blocks, and nearly 200 unfinished ones that Kelley and Riggles had got out of my quarry at Fredericksburgh.

Q. How much was the Government to pay you for furnishing these stones?—A. Three dollars and fifty cents apiece for the blocks and \$3.95 for the slabs.

Q. At what price did you sublet the work?—A. I sublet it to Kelley & Riggles at \$2 for the blocks and \$3 for the slabs.

Q. At what price did you sublet it to the Westham Granite Company?—A. I first of all sublet it to that company (before I got hold of Kelley & Riggles) at \$1.25 for the blocks and \$1.40 for the slabs, delivered at the wharf at Fredericksburgh, but the Westham Granite Company failed to live up to their contract, and afterward re-organized the company. I then waited till September, 1874, before I got hold of the quarry in Fredericksburgh. These stones were examined in Richmond, and all condemned except one; but the engineer, Chenowith, said that if I would recut them he would accept them. So I had them recut at great expense and shipped to Fredericksburgh. Then Chenowith came down again and condemned all of them but four. I then went back to Richmond and got them to ship me some for cash. The stone was a peculiar kind of granite of a very fine grain. The stone was shipped in the rough, as I had the idea of having it cut myself. I therefore brought a lot of stone-cutters to Fredericksburgh and commenced cutting the stone there, but Mr. Chenowith came down and condemned them.

Q. What followed after that?—A. I complained, of course, continuously of Mr. Chenowith, but I could get no satisfaction, so I determined to wait and open this quarry at Fredericksburgh and work it myself. My means, by that time, were getting pretty low, and I sublet the work to Kelley & Riggles, after opening the quarry myself with my partner.

Q. What followed then?—A. Kelley & Riggles would not do the work. Everything was going on satisfactorily till Chenowith went down, and then Kelley & Riggles wanted more money, and I refused to give it to them.

By Mr. WILLIAMS:

Q. Did they get out any blocks or stones?—A. They got out about 200 blocks in the rough. They may have cut some when they were moved down to the city.

By the CHAIRMAN :

Q. When was that?—A. That was about December, 1874. Kelley & Riggles then bought up all the stone that had been condemned on me, notwithstanding I had bound them in a contract not to do so. I called upon the Government for another inspection, and an inspector went down and passed 1,100 of these same stones.

Q. The same inspector?—A. I hardly think it was. I was absent from the country at the time, and my partner was attending to the business.

By Mr. WILLIAMS :

Q. From whom did Kelley & Riggles buy this stone? Did you not own it?—A. No, sir. Things were getting gloomy there. The wharfage was running very high against me, and when I was absent I was sued for the wharfage. I let the stones remain there, as they had been condemned. I believe that the hotel-keeper down there bought them on speculation, and afterward sold them to Kelley & Riggles on contingency.

By Mr. STRAIT :

Q. Had the stones been cut or altered in any way after the rejection?—A. I presume they must have been, but they were condemned in the first instance on account of their being yellowish granite of a coarse grain. That was the objection to the stones. I brought a portion of them with me to Washington, and showed it to various architects, and got certificates from each, which I laid before the Secretary of War, and after a time he accepted all the stone I had at the cemetery, but Chenoweth again went down and condemned it, notwithstanding the letter of the Secretary of War.

Q. Have you that letter of the Secretary of War?—A. I have, but not with me; I have no papers with me.

Q. What was that letter?—A. It was in answer to my request that the matter should be referred to a board of arbitration. The Secretary sent Colonel Mack down there, but Colonel Mack returned and wrote me this letter declining to submit to a board of arbitration, and stating that if I would make the bottoms flat and square of the stones in the cemetery he would accept them. The edges of some of these blocks were very large and irregular in the sides; and it was also an objection to them that they were too long.

Q. Do you mean the dressed portion of them or the portion in the ground?—A. I mean the portion in the ground. The dressed portion was proper.

By the CHAIRMAN :

Q. After this what followed?—A. Then Kelley & Riggles made a demand on me to pay them for the stones which they furnished, for an order on the quartermaster. My partner counseled with the Department, and was informed that the stones were not accepted till they were erected and the rubbish removed. That was specifically the contract between myself and Kelley & Riggles. They then complained to the Quartermaster-General, and wrote a good many letters. I got tired of the matter, and wrote to my partner to authorize the Quartermaster-General to pay Kelley & Riggles, and deduct the amount from us, so as to push the work on. Still, the work did not go on, and their contract with me ran out on the 15th of April.

By Mr. WILLIAMS :

Q. Were they paid?—A. No; for they did not go on with the work.

Q. Were the stones ever put up?—A. They never were put up.

Q. Where are the stones now?—A. They are at Fredericksburgh. There has never been a stone erected there yet, but forty-seven.

By the CHAIRMAN :

Q. To whom did you sublet your contract after that?—A. Then the 15th of May came around, and my contract with the Government ran out, and everybody was afraid to touch it, as we had had so much trouble, so I turned again to the Westham Granite Company, which had re-organized, and offered, if they would do the work, to pay them some \$6,000 more than I had agreed to pay to Kelley & Riggles. Colonel Andrews and I visited the Quartermaster's Department, and Andrews said that if Chenoweth had anything to do with the work he would not touch the stones for \$20 apiece. He said, "You have five other engineers, and we will accept any of the others." I went away, and about August I found that there were no stones being shipped by the Westham Granite Company, and so I wrote to the Government to send an inspector to Richmond to see how the work was going on. An inspector was sent there, and he found some faults, but these defects were remedied, and the stones were shipped to Fredericksburgh. As soon as they got to Fredericksburgh Chenoweth was inflicted on us again.

Q. Who is Chenoweth?—A. He is a civil engineer; a young man, about 22 years of age.

Q. Is he an officer of the Army?—A. He is not. He is a citizen. My agent at Fredericksburgh, being disgusted at the wholesale condemnation, shipped the whole car-load on here to Washington.

Q. What followed then?—A. Mr. Andrews and I called on Colonel Samo, who was the architect and engineer in charge of the new State Department building. I submitted to him the contract and specifications, and asked him to come down to the depot and make an examination of the stone there. He went reluctantly, and then sent for stone-cutters, who were at work on the new State Department building, and asked them to examine the quality of the stone. The block required to be what is known among stone-cutters as eight-cut work. These experts pronounced that most of the blocks were ten-cut work; that all of the tops of the blocks were ten-cut work, and the sides eight-cut work. We then made this statement, and sent in Colonel Samo's report, and called on Colonel Mack and Captain Rockwell, and showed them the report. They said first that they would not go down to examine the stone, but finally they went with us, and what the result was I do not know, except that the contract was taken away from me.

By Mr. WILLIAMS:

Q. You still have an interest in the contract?—A. The taking away of the contract would make a defaulter of me.

Q. The Department knows that you still have an interest in it?—A. They know, yes.

By the CHAIRMAN:

Q. Did not the Secretary of War know at that time, when the contract was made with the Westham Granite Company, that had been your subcontractors, that you were still to retain an interest in it?—A. I do not know whether the Secretary of War knew it or not.

Q. Did any Government officer know it?—A. Yes, I think that Captain Rockwell and Colonel Mack knew it. I am pretty certain that Colonel Mack did. I called frequently on Captain Rockwell since, and asked him when he was going to pay money on this contract.

Q. Did they contract with the Westham Granite Company knowing that you had a contract then running with the company for the performance of this work?—A. Yes. My contract with the Westham Granite Company ran out at the same time with my contract with the Government, although they were defaulters to me for not finishing the work.

Q. Did the Government contract with the Westham Granite Company to perform this work knowing that they were defaulters to you?—A. Yes.

Q. Who were the officers of the Government that made that contract knowing that fact?—A. Captain Rockwell, under the direction of Colonel Mack.

By Mr. MACDOUGALL:

Q. How do you know that they knew it?—A. That is very true; I do not know it.

By the CHAIRMAN:

Q. After you sublet this contract to the Westham Granite Company, did you inform these officers of the Government that you had done so?—A. Yes, I did.

Q. Did the inspectors of the Government inspect this work that was done by the Westham Granite Company knowing that they were your subcontractors?—A. They did.

Q. Did the Westham Granite Company file with the Government officers this subcontract with you, or notify them that they were entitled to so much of the money?—A. I demanded of Captain Rockwell that he should retain from the Western Granite Company the amount due me by them, but he refused to do so. I then drew up an agreement for their signature, and left it with Captain Rockwell, but he returned it to me, and said that that was an affair outside of his office.

Q. Was this before or after the Government made a contract with the Westham Granite Company?—A. This was in the interim between the time when my contract ran out and the time that they were making a contract with the Westham Granite Company.

By Mr. WILLIAMS:

Q. What was the date of the contract which the Government made with the Westham Granite Company after your contract expired?—A. It was about two or three weeks after my contract expired.

By Mr. MACDOUGALL:

Q. Did I understand you to say that the Westham Granite Company failed to perform their contract with you for delivering stone at \$1.25 and \$1.40?—A. Yes. Then I went at the work myself, and afterward made another subcontract with Kelley & Riggles, and afterward I made an arrangement with the Westham Granite Company.

By Mr. STRAIT:

Q. What price were you to pay under this second arrangement?—A. Under the second arrangement with the Westham Granite Company I was to pay \$3.45 for the

slabs and \$2.75 for the blocks, and also to allow them nineteen cents a stone on the stone which they had shipped to me previous to that, which would make the prices \$2.94 for the blocks and \$3.64 for the slabs.

By Mr. MACDOUGALL:

Q. What quarry at Fredericksburgh was that granite taken from?—A. From the Taylor quarry, which is located about quarter of a mile above the town, on the Rappahannock, and is accessible by water.

By the CHAIRMAN:

Q. What prices were you to receive from the Government?—A. Three dollars and fifty cents and \$3.95. My first contract with the Westham Granite Company was that I was to pay them for slabs cut and delivered at the wharf at Fredericksburgh \$1.40 apiece, and for blocks cut and delivered and lettered \$1.25.

Q. Is that contract in writing?—A. Yes.

Q. Have you it with you?—A. No, sir. I have it in my possession and will present it to the committee.

Q. Had you any conference with the Secretary of War in regard to this matter?—A. Yes. The stone was condemned, as I told you, on account of its being yellow granite, and I took three blocks of it and carried around the city and got certificates from the chemist at the Agricultural Department, Mr. McMurtrie, and from Mr. Fraser, an architect, and from a professor of mineralogy of this city, whose name I forget. They pronounced the granite first-class monumental granite. I then went to the Secretary of War and told him that I appealed to him; that I had lost a great deal of time and money, and that I came to appeal to him. Colonel Mack was out of town, and there was some delay for a month or two.

Q. What was the result of that conference?—A. The Secretary of War sent Colonel Mack to Fredericksburgh, and on his report six hundred odd of the stones were accepted, which I had hauled into the cemetery. But Mr. Chenowith went down again and condemned them. I complained of that by telegraph, and got a letter from Captain Rockwell, stating that that was in accordance with the letter of the Secretary of War.

Q. Had you any conference with Mr. Chenowith on the subject?—A. Frequently.

Q. What did he say?—A. He said he had his orders.

By Mr. WILLIAMS:

Q. What did you understand to be his orders—that he was to condemn the stones?—A. No, I do not think he had orders to condemn them.

By the CHAIRMAN:

Q. Did you have any conference with Colonel Mack on the subject?—A. Frequently.

Q. Did you ever, at any time, pay any money to any officer of the Government in connection with this matter?—A. No, sir, I never paid a cent, and I never told anybody that I had done so.

Q. Did you ever offer any money to any officer of the Government?—A. No, sir; I never did.

Q. Did any inspector or officer of the Government ever ask you for any money?—A. No, sir.

Q. At any time?—A. At no time.

Q. Did you ever make any promise to any officer of the Government, inspector, or other, of any consideration whatever in the matter, that he was to be paid at any future time?—A. No, sir; I never did.

Q. Did you at any time tell Edward Kelley that you had paid Colonel Mack the sum of \$1,500 for his influence in getting you an extension of your contract?—A. I never told him or anybody else that I did.

Q. Edward Kelley says in his affidavit, which I have before me, that, "on or about the 22d of May, 1875, I met Doherty at Wormley's Hotel. He was under the influence of liquor at the time. He told me he had paid Colonel Mack, United States Army, inspector of national cemeteries, the sum of \$1,500 for his influence in getting him an extension of his contract."—A. I never told him anything of the kind; and at that date Kelley was a person with whom I would not associate or act with, from the fact that he and one of my bondsmen, prior to that, had combined to get the contract out of my hands. The bondsman had withdrawn, and I did not know it until the Secretary of War informed me on the Saturday previous, the day before my contract ran out. Of course I furnished another bondsman at once. Kelley induced this man Himber to withdraw from my bond so that he could get my contract. He said that Colonel Mack had promised him that he would be paid for his stone, or something of that kind. The contract was to expire the next day. When I went to the Secretary of War to ask the favor of a renewal, in consideration of Kelley and Riggles having so much harassed me, he said, "One of your bondsmen has withdrawn." I asked who it was, and he said it was Himber. I had seen Kelley and Himber very much together for a week or

so previously. I said to the Secretary, "Suppose I furnish new bondsmen?" He said, "That changes the thing. I will see the Second Comptroller" (or somebody) "and see about it." This was on Saturday the 14th, and the contract ran out on the 15th.

Q. Are you acquainted with Samuel B. Bridges?—A. I am.

Q. Is he one of the contractors that furnished head-stones?—A. He is one of the original contractors, and the only one, as I understand it, for the slabs throughout the United States. There is another contractor for the blocks.

Q. Did you purchase from him any right of lettering?—A. No, sir; he offered to sell me the sand-blast right, but I declined to purchase it.

Q. Had you any correspondence with him?—A. I think I had; I think he wrote me a letter.

By Mr. HURLBUT:

Q. Explain what you mean by the sand-blast.—A. The sand-blast is a process of lettering done by incising or putting the letters on in relief by the blast. That is how the marble headstones are being lettered.

By Mr. MACDOUGALL:

Q. Have you at any time known of money being paid or offered to any officer of the Government in connection with this matter?—A. No, sir; I was told that Chenowith received a gold watch.

Q. Who told you so?—A. I was told so by John C. Comfort, who was then a contractor, and that his hotel bill was paid by Comfort at Richmond. Comfort showed me the receipt for it. I believe that that matter was investigated by the Department and that Chenowith returned the watch. I only know that from what Comfort told me. Comfort was a contractor for lodges and walls. Chenowith and he got quarreling afterward, and I believe he bursted up.

By the CHAIRMAN:

Q. Where does he live?—A. I think he lives in Shiremantown, Cumberland County, Pennsylvania.

Q. How do you know that Comfort paid his hotel bill in Richmond?—A. Comfort showed me a receipt purporting to be a receipt for Chenowith's hotel bill.

By Mr. MACDOUGALL:

Q. What did it amount to?—A. It was a small amount; probably within \$25.

Q. What hotel was that?—A. At the Ballard House.

Q. Did he tell you that he had paid that hotel bill in consideration for any services that Chenowith was to render him?—A. No, sir.

By the CHAIRMAN:

Q. Comfort was a contractor and Chenowith was an inspector of the work which he was doing?—A. Yes.

By Mr. MACDOUGALL:

Q. Were they personal friends up to that time?—A. It appears so.

By the CHAIRMAN:

Q. What about the watch?—A. Comfort told me that he also bought Chenowith a watch, and that Chenowith got scared and returned the watch to the dealer on the avenue. He, Comfort, took me in one day to Goldstein's, on the avenue, and showed me a watch which he said he had given to Chenowith and which Chenowith had returned.

By Mr. MACDOUGALL:

Q. How long did Chenowith have possession of the watch?—A. I don't know.

Q. Did he send it back as soon as he received it?—A. I do not know.

By the CHAIRMAN:

Q. Was this during the time that Comfort was doing work for the Government?—A. Yes; he was doing work at Poplar Grove Cemetery, near Richmond, and two or three other cemeteries.

Q. Is Chenowith now in the employ of the Department?—A. He was up to the 15th of last December. He was on my work then.

Q. When was it that this hotel bill was paid for him by Comfort?—A. Some time in 1874.

Q. When was it that the watch was given him?—A. At the same time, I understand.

Q. Do you know if the giving of the watch was brought to the notice of the Department?—A. I only know it from what Comfort told me.

Q. Did he tell you that it was?—A. He told me that it was, and I think I asked Colonel Mack about it, though I am not certain; but I was told by Colonel Mack that

the matter had been investigated. I will not be positive about it, but my impression is that I wrote to Colonel Mack a letter asking him to take Chenowith off my work, and told him the facts or rumors that had come to me about him.

Q. Do you know of any other payment of money or giving of promises, or presents, to any other inspector or Government officer?—A. No, sir; I do not.

By Mr. MACDOUGALL:

Q. Chenowith was not an agreeable inspector to you, and you wanted him taken off your work?—A. Yes; I did not think he was justified in condemning my work.

By Mr. WILLIAMS:

Q. When Comfort told you about these presents to Chenowith, did he do it for the purpose of inducing you to do likewise?—A. No; it was to induce the Government to remove Chenowith, in order that Comfort might have an inspector who would not be continually condemning the work. That was my understanding of it.

By the CHAIRMAN:

Q. You say that you called the attention of the Government officers to this matter of the acceptance of Chenowith of the watch, and the payment of his hotel bill?—A. I think I did. I am not positive, but I believe I did. If I did not, there was an attorney employed by Comfort here, whom I understood did. That was Mr. Edwin L. Stanton. That is what Comfort told me.

By Mr. STRAIT:

Q. Your own impression is that you wrote to Colonel Mack in regard to it?—A. I think I did. I think I wrote him a personal letter.

By Mr. HURLBUT:

Q. Was it after the payment of this hotel bill, and the presentation of this watch that this man Comfort complained that he wanted Chenowith removed because he would not do justice to his work?—A. Yes.

By Mr. WILLIAMS:

Q. After your contract had failed, and they had told you that they would have nothing to do with you, the contract was sublet to this Westham Granite Company at the same figures which the Government had been paying you?—A. I cannot say that the contract was between the Government and the Westham Granite Company.

Q. How much did the Westham Granite Company agree to pay you on that contract?—A. Seventy-five cents on the blocks and fifty cents on the slabs, deducting nine cents off each for the stones which they had already furnished, amounting to \$1,250.

By Mr. HARDENBERGH:

Q. Do you know the contents of the affidavit made by Kelley?—A. No, sir.

By Mr. GLOVER:

Q. Do I understand you that you have an interest in the present contract with the Westham Granite Company?—A. Yes; but not with the Government.

Q. On what terms have you an interest in the present contract, you not being a contractor?—A. Simply because the Westham Granite Company were defaulters to me, and I proposed to sue them and to restrain them from drawing any money from the Government unless they indemnified me for my trouble and loss.

Q. Then it is just an arrangement to secure you from loss?—A. It is an outside agreement between me and them to prevent a lawsuit.

Q. How do you secure your interest out of the profits of that contract?—A. I trust to the Westham Granite Company to pay me. It is an outside arrangement I made, not recognized at all by the Quartermaster's Department.

By the CHAIRMAN:

Q. Is there any relation between Mr. Bridges and the Secretary of War?—A. Not that I know of.

The affidavit of Mr. Kelley was read to the witness.

The WITNESS. The first portion of that affidavit is correct—that is, that he was a subcontractor under me; and the last portion of it is correct, that Samuel Little was a friend of the Secretary of War. But as to my telling him that I paid money to Colonel Mack or anybody, and that I was going to do so, is false. I had no communication with Kelley on this subject. I told him that if he had anything to say, he should do it in writing and I would consider it. Finally, when he found out that the contract was made with the Westham Granite Company, he came to me with the written proposition to sell the stones that he had, and I referred him to the Westham Granite Company.

By the CHAIRMAN:

Q. Is it true or not that Bridges offered to buy you off?—A. Bridges did at one time say that he would help me out. He frequently said he would help me out. I do not recollect his making any distinct proposition.

Q. Who is Samuel Little?—A. Samuel Little resides in New York now. He was my partner, and is from Newburgh, N. Y. He knows the Secretary of War.

Q. Did he have any contract with the Government?—A. No, sir. After I got into these difficulties, Little was doing nothing, and he insisted on coming in with me, so I let him in, but we did not get along any better.

Q. Did he pay you any money for letting him in?—A. No, sir. I gave him one-third interest, and he was to advance money to open the quarry at Fredericksburgh and to work the thing. But after consultation, and after Kelley & Riggles made us this proposition, we determined not to work the quarry ourselves, but to sublet the work, and we did so.

Q. Where did you meet him when you let him in?—A. I met him here in Washington. I knew him some time before, and he wrote me several times asking me to look up something. When they condemned the stone at Fredericksburgh, I wrote to him to come to Washington, and he came, and we went together to see General Meigs, and then we went to see the Secretary of War. But we did not get along any better. That was about the upshot of it.

By Mr. MACDOUGALL:

Q. Had you any other reason for letting him in than to get more means to conduct your business?—A. Yes; I thought he had some influence.

Q. Influence with whom?—A. With the Secretary of War.

By Mr. WILLIAMS:

Q. He was a friend of the Secretary of War?—A. Yes; though when he went to see the Secretary at West Point the Secretary would not listen to him at all, and when he reported to him that Chenoweth was still condemning the stone, the Secretary said that he could do nothing.

By Mr. GLOVER:

Q. Who appointed Chenoweth?—A. I do not know; he was appointed by the Quartermaster-General's Department.

Q. Did you complain to General Meigs about Chenoweth?—A. I complained to General Meigs, and General Meigs said there was no use in complaining to him about the engineers.

By the CHAIRMAN:

Q. State what was your reason for letting Mr. Little into your contract.—A. I wanted money and I wanted influence; that was the only reason.

Q. Did any one advise you to let him in?—A. Not exactly. I met him here frequently. He used to travel between here and New York a good deal. I had been on friendly terms with him. I thought at first that I would worry the thing out myself, but I found I had to take some one in to help me out. Samuel Little was as good a person as I could get, so I wrote to him and he came to Washington.

Q. Is he a man of means?—A. He was a man of means, but he is not now, I think.

Q. Was he at that time?—A. I think he was; I do not know; I cannot say exactly what his means were.

By Mr. WILLIAMS:

Q. Did any officer of the Government recommend you to take him in as partner?—A. No, sir.

Q. Did anybody connected with the Government?—A. No, sir.

EDWARD P. DOHERTY.

WASHINGTON, D. C., March 9, 1876.

JOHN M. WRIGHT sworn and examined.

By Mr. MACDOUGALL:

Question. State your residence and occupation.—Answer. I reside in Logansport Ind. I have been superintending a marble quarry in Virginia.

Q. State whether you had anything to do with the bids for furnishing headstones for soldiers' cemeteries.—A. I had. I was associated with bids at both lettings. My father put in bids in his name. I assisted him in arranging them, and watched the progress of them.

Q. Did you receive any contract under those bids?—A. No, sir.

Q. Did you see the bids of other parties after they were made public?—A. Yes; I knew the bids after they were made public.

Q. Were your bids lower than the others?—A. No, sir; they were not.

Q. Have you any acquaintance with Mr. Samuel G. Bridges, of Keokuk, Iowa?—A. Yes, sir; I made his acquaintance on September 6, 1873.

Q. Go on and state what conversation occurred between you and him in reference to those bids.—A. After the bids had been opened there was some discussion about a bid which had come into the room after the majority of the bids were opened. A good many of us remained up stairs in the Quartermaster's Office; and some insisted on an immediate explanation. I remained up stairs for a few moments, and on going down I met, at the foot of the stairway, Mr. Bridges, who asked me what was going on up stairs, or something to that effect. I told him there was a row about a bid that was slipped in. He asked what bid it was. I told him that it was a bid put in by a man named Bridges. He said that it was his bid, and that it was all right, or words to that effect.

Q. Were you present when those bids were opened?—A. I was.

Q. And that bid of Bridges came in after the other bids were opened?—A. It is my impression that it did. I know that one bid came in, and I am under the impression that it was this one from the color of the envelope. Mr. Bridges and myself then walked toward the Ebbitt House. He said that they could not do anything against that bid; that it was all right; and he invited me to go up to his room in the Ebbitt House, which I did. He then showed me specimens of marble which he had obtained from quarries in Vermont, together with the prices with which the parties had agreed to furnish him with the stone; and then he showed me the amount of work he had done in preparing his bid, showing that he had made abbreviations of names, ranks, regiments, and States, and that he had made close calculations on the lettering. He also showed me a letter, which he claimed was sent by the Secretary of War, in which the Secretary consents that certain abbreviations of names and ranks shall be made. He showed me, also, other letters, which he claimed to have received from the same source on the same subject, or, rather, he showed me the envelopes that inclosed them. This occurred on September 6, 1873. Mr. Bridges professed to be an intimate acquaintance of the Secretary of War, and said that he had seen him frequently on the subject. He appeared to be a very well-posted man on the matter generally. His object in interviewing me, however, was, I believe, to see if he could not obtain from me stone from Virginia for certain cemeteries in that locality, and he asked me to furnish him the prices of slabs of the desired dimensions, delivered at different places, and that he would do his own lettering.

Q. Did the letting take place then?—A. No, sir; I did not give him any definite answer, and left him shortly afterward.

Q. Did he intimate to you, in any way, that he had knowledge of what the other bids were, or anything of that kind?—A. No, sir; he did not.

Q. Did he intimate to you that he knew that he was going to receive the contract?—A. He intimated to me that he thought he would—that he was certain of it.

Q. Give us his language, as nearly as you can.—A. He professed to be conversant with Government contracts. I do not know whether I gained as much from his language as I did from his manner. He evidently acted as if he thought he would obtain the contract, and it is not a matter of surprise that I should have inferred it.

Q. Have you seen Bridges subsequently to that date to talk to him about this matter?—A. No, sir; I have never seen him since.

Q. Do you recollect the date of that letter which Bridges had, purporting to have come from the Secretary of War in reference to the abbreviation of names?—A. No, sir, I do not, but it must have been at some date prior to that, so as to enable him to make all these tablets and charts which he had in a bureau drawer; it was partially filled with them.

Q. Do you recollect seeing published a notice in the Evening Star that there would be an alteration in the terms of the contract?—A. Yes, sir; that was a few days prior to the drawings; not more than two or three days, is my recollection.

Q. Do you think that that notice was sufficient to have informed all the bidders, scattered over the country as they were?—A. No, sir; I do not.

Q. Was the notice sufficient after you discovered it, to have enabled you, as a bidder, to go through the entire schedule and make full estimates as to how much you could afford to alter your bids in view of that change?—A. No, sir; it was not. I could not have done it.

Q. What do you mean by the abbreviation of names?—A. The abbreviation of the first name, and the abbreviation of rank, regiment, company, and State.

By Mr. GLOVER:

Q. You saw schedules in Bridges's possession with all these abbreviations calculated on?—A. I saw schedules in which he claimed so many letters for certain cemeteries,

with the general footings. He could make his estimates by dividing the footing by the number of stones, which would show the number of letters to each stone.

Q. Was there anything more in the published notice of the Secretary of War than the alteration of the lettering; was there anything in it as to the change of material or form which the stone should have when finished?—A. No, sir. I think there was an illustration published of an abbreviated name and rank; nothing further than that.

Q. Do you recollect whether, in that notice of the Secretary of War, there was anything on the subject of lessening the depth of the lettering?—A. No, sir.

Q. Was Mr. Bridges a relation of General Belknap?—A. I cannot say that he was. He claimed to be an intimate acquaintance.

Q. Have you any knowledge that this information was given to Bridges prior to the published notice; did he say anything about having had longer notice of these changes than that published in the papers?—A. It is only inferential knowledge on my part. He claimed to be very intimate with the Secretary of War, and said that he had called to see him several times on the subject, and had corresponded with him, and had received several communications on the subject. He produced letters and envelopes which he claimed to be from the Secretary, one of which he showed me, which was the one in regard to the abbreviation of names, ranks, and States. I did not notice the date of that letter.

Q. Did Bridges receive the contract?—A. I understood that Bridges received the contract.

Q. Do you know his present whereabouts?—A. No, sir; I have had no acquaintance with him since that time.

Q. Do you know of any other persons who have any knowledge of the same transaction?—A. Mr. Walsh, of Brooklyn, N. Y., had in a very low contract, and was present when the bids were opened. He seemed to be very indignant when this other bid was received and opened, and he demanded an immediate investigation.

Q. Do you know whether any investigation was made?—A. I was informed that General Meigs interrogated the clerk who conducted the opening of the bids, and that the explanation made was that the basket was so full of bids that it would not hold them all, and that this bid had fallen off in the safe and had not been discovered until nearly all the rest of the bids were opened, when it was brought in.

Q. Did General Meigs give any expression as to what would be the fate of that bid?—A. I do not know.

Q. Do you recollect the names of any other bidders who complained of the same thing?—A. I recollect a gentleman named Patterson, of the firm of Bearden & Patterson, Knoxville, Tenn., who complained, and who claimed to have seen this bid brought in. There was another bidder or attorney present who was watching the bids, Mr. Robert Christy, of this city, who also saw that bid come in. He was sitting at my side at the time, and called my attention to it. This bid came in after nearly all the rest of the bids had been opened and read.

Q. Do you know what limit was fixed as the time for receiving bids?—A. I knew at the time, but I have forgotten. They were receivable up to a certain hour the day of the opening. They did not proceed to open any of the bids until that time had passed. We were assembled in the room. General Meigs opened the bids for a time until he became tired, and then he employed a clerk to do it. The bids were all read off open in public. I presume there must have been thirty or forty interested parties in the room, and I should judge that there were from one hundred and fifteen to one hundred and twenty bids filed.

Q. Was it a difficult contract to figure on?—A. It was a very difficult contract to figure on, because the cemeteries were so scattered over the country that the expense of transporting the stones to some cemeteries would be enormous in some instances and light in others; no average cost could be easily obtained.

By Mr. MACDOUGALL:

Q. Did Mr. Bridges receive the contract?—A. It was my understanding that he received a contract for the entire work.

Q. At the prices which he bid, was there a large margin for profit?—A. No; I do not see that there was any margin at all. I do not see how he could get his contract through but for the advantage of the abbreviations.

Q. Has he gone on and executed the contract?—A. I have not been advised.

Q. Do you recollect whether there were different kinds of stones recognized in the schedule for different localities, or whether a uniform quality of stone had to be bid on?—A. I do not recollect exactly; but my impression is that marble was preferred for the purpose.

Q. Of a certain color?—A. I think they were to be white-marble slabs. The impression prevailed that that would be preferred.

WASHINGTON, D. C., *March 11, 1876.*

SAMUEL G. BRIDGES sworn and examined.

By the CHAIRMAN :

Question. Where do you reside ?—Answer. In Keokuk, Iowa.

Q. How long have you lived there ?—A. Since 1857.

Q. What is your business ?—A. I have no business of importance, except contracting and the head-stone business.

Q. In what business were you employed when you took the grave-stone contract ?—A. I had formerly been in the mercantile business, and had been contracting for about three or four years previous to that.

Q. What had you been contracting in ?—A. I had been furnishing grain, wood, hay, and had contracts of that kind.

Q. At Keokuk ?—A. No, sir ; through the West ; through the Department of the Missouri and at Saint Paul ; these contracts were awarded at Leavenworth and at Saint Paul.

Q. When did you commence contracting through the Department of Missouri ?—A. I don't remember the exact time, but about 1870, I think.

Q. Before or after Mr. Belknap became Secretary of War ?—A. I think not until after.

Q. What contract did you have in the Department of the Missouri ?—A. Furnishing grain, hay, and wood.

Q. Where at ?—A. At different posts.

Q. State them.—A. Fort Wallace, Fort Dodge, Fort Lyon, Fort Larned, and Fort Hays.

Q. Had you any partner or partners in that contracting ?—A. I had not ; except latterly, in one instance, I had a partner. I had no partner in business generally, but in one instance I had.

Q. In that contracting in the department prior to the grave-stone business ?—A. I had one at Fort Hays in executing one contract.

Q. Who was that ?—A. I. W. Armentrout.

Q. Who first suggested to you the grave-stone contract ?—A. The advertisement, I think, that I saw in the paper.

Q. Where were you when you read that advertisement ?—A. I think I was at home ; I am not positive, however. I may have been away from home on my business outside. My impression is that I was at home.

Q. In what newspaper did you read it ?—A. I am not able to state. I don't remember.

Q. Had any person whatever suggested this matter to you before you read it in the newspaper ?—A. I think not, but am not positive.

Q. Did you know before you read it in the newspaper that \$1,000,000 had been appropriated for that purpose ?—A. I did not, that I recollect.

Q. Did you know that any amount of money had been appropriated for that purpose ?—A. I did not, that I recollect.

Q. Did you consult with any persons after that before you made your bid for the work ?—A. I consulted with persons touching rates of freight, with marble-dealers in Vermont, mechanics, and others, with regard to cost of executing the necessary details connected with such work.

Q. Did you come on to Washington before you prepared your bid, or did you prepare it at Keokuk ?—A. My costs and everything connected with it were nearly prepared, but not fully, at Keokuk, from information received, except for the marble.

By Mr. MACDOUGALL :

Q. Received from whom ?—A. At once when I decided to bid or to look the matter up, I commenced by writing in every direction to get rates of freight and about doing the work. I wrote to the marble-men for samples and prices.

By the CHAIRMAN :

Q. With whom, if any one, did you correspond on the subject at Washington prior to coming on, prior to making your bid ?—A. Not any person except the Quartermaster-General, that I now call to mind.

Q. Did you telegraph to any person upon the subject ?—A. No, sir ; not to the best of my recollection. Did you mean any one in Washington ?

Q. Yes, sir.—A. Not that I recollect.

Q. Did you telegraph to any one connected with the War Department at any point ?—A. No, sir ; I think not.

Q. Did you write to any one connected with the War Department at any point ?—A. I wrote through the proper channel for information touching the blanks and abbreviations.

By Mr. GLOVER :

Q. Or converse with any one connected with the War Department at any time ?—A. I think not. My bid was made from the information that I received, decisions of

my own, and knowledge that I had in connection with such work. I do not think anybody knew that I was going to bid, except the parties that corresponded with me while figuring up the cost.

Q. Did you bring your bid to Washington yourself?—A. I came personally with my bid.

Q. Prepared before you got here?—A. Everything was prepared as stated before, except adding prices for marble, I think.

Q. Was your bid prepared upon the blank issued for that purpose?—A. It was.

Q. How did you get the blank if you prepared your bid before you came here, without any correspondence or communication with the War Department before you came here?—A. On the strength of the advertisement the blanks were written for. I did not understand that you meant that part of it when you spoke of correspondence. Of course I wrote to the proper authorities for blanks and specifications which they offered to furnish; that was all, except about the abbreviations. Reference to my copy-books will probably show if any other matters in connection with this were written about.

By Mr. MACDOUGALL:

Q. To whom did you write?—A. To the Quartermaster-General, I think; I don't remember—wherever the advertisement directed persons to write. I wrote through the proper channel to get these papers, to the best of my recollection.

Q. When you came on with your bid, with whom did you deposit it?—A. With the other bids in the Quartermaster-General's Office.

Q. How long prior to the determination of who should have the contract did you deposit your bid?—A. I put my bid in about fifteen minutes before they commenced to open the bids. I deposited it personally with the samples.

Q. Was that the bid you had prepared in Keokuk before you came here?—A. Prepared, I think, as stated before, all except adding the cost for the marble. The cost of everything else I had down, or nearly so; but the cost of the marble I could not put in until I went to Vermont and got my samples and the lowest prices of the parties for said marble.

Q. At the time you left Keokuk, was it known that the lettering upon the stones might be made by the initials of the name of the deceased, or his rank by "Lt." or "Cp.," as it was put on, or was it at that time understood that they should be lettered in full?—A. In figuring up the matter, looking it over, and getting my cost, it occurred to me, according to the reading of the specification, "number of the grave, the rank and name of the soldier, the name of the State from which he came, to be on one face"—I say it occurred to me that, in bidding, I wanted to know, for instance, whether the abbreviation of Mass. would be received for Massachusetts; if it was William, whether it would be Wm. or written in full, and I wrote a letter, I think, to the Quartermaster-General, in July, 1873, asking for that information, as that would make a difference in my figuring; because in bidding I had learned that the letter of a contract is what a person bidding wants to look to. I think, in August, 1873, I received a printed circular or form, stating that the abbreviations would be allowed, and that made quite a difference in figuring. Others received the same information, for I was so informed by persons afterward.

Q. Did you have that information before you reached Washington?—A. O, yes; that information I received in August, 1873, I think.

By Mr. GLOVER:

Q. What date in August?—A. I cannot tell the date without referring to papers.

Q. You have not got it noted in your book?—A. No, sir.

By Mr. MACDOUGALL:

Q. From what source did you receive that information about the abbreviations?—A. From the Quartermaster-General. I suppose I addressed my letter to General Meigs, I think, and received the answer from the same source, I presume.

By the CHAIRMAN:

Q. General Meigs sent you a printed circular at Keokuk that abbreviations in name and rank would be allowed?—A. Yes, sir. I think so. Or from his Department. I received it, as near as I can remember, in August, 1873, about thirty days after my letter.

Q. How long prior to the letting?—A. The bids were opened September 6, 1873.

Q. Did you say that was a printed notice?—A. That was a printed notice. I have a copy at home.

Q. Was that a change of the specifications that had been advertised?—A. It was not a change. They had not plainly stated. It left a person in doubt as to whether they would require it in full or whether the abbreviations would be allowed. It would make quite a difference in the work to be done, if done by hand. That was the reason why I inquired.

Q. Do you recollect your bid that you put in for the work?—A. Yes, sir.

Q. Please give it.—A. Nine hundred thousand dollars. My bid was made in this way, and I had this blank, and I figured for every single cemetery in the country. I received information from nearly every source that I wrote to as regards freight. I wrote in every direction as regards freight, and did nothing else for about two months after the advertisement came out until I came on, and in that way I was enabled to bid on nearly every cemetery. There may have been some few exceptions where I did not get information, and in these instances, perhaps, I did not bid; but generally I bid on nearly every cemetery for slabs and blocks, prices for each, as near as I now remember. I have a copy of that at home; by reference, can advise you. I also bid for the whole, \$900,000.

Q. Did you have more than one bid in?—A. I had this bid for each cemetery separately, and the one bid of \$900,000. Considered it one and the same.

Q. What was the difference between the two bids?—A. I never footed the aggregate of the prices for all the cemeteries.

Q. Which bid did you get it on?—A. It was not awarded on either, entire. A letter was submitted to me, I don't remember the date, but some time after that, to know whether I would accept a certain number of stones, about 35,000, for the average price of my \$900,000 bid, making \$3.56 a stone.

Q. From whom was that letter?—A. Through the proper channel.

Q. Whom was it from?—A. It would be necessary for me to refer to papers to answer that properly. I suppose it was General Meigs, or from McGonnigle.

Q. Do you say it was from General Meigs?—A. I would not make that statement without referring to papers. It was through the proper channel.

Q. Did General Meigs decide that you were not entitled to that contract?—A. Not to my knowledge.

Q. Have you that letter that you received asking you if you would take that much of the contract?—A. I have those papers at home. I can furnish them.

Q. Will you furnish those papers to the committee?—A. I will furnish everything that I have of that kind if you desire. There is nothing but what is straightforward that I know of. I am ready to furnish everything that I got and all the information that I have got. Three or four other parties received the same letter, so I was informed.

By Mr. GLOVER:

Q. Was there any question about the validity of your bid?—A. None that I know of. There should be none. It was straightforward and complied with the terms of the advertisement in every respect. The bond that I gave was one that nobody would question.

Q. Was there any change at all in the specifications after the contract was let?—A. There were modifications. First I found, in commencing to execute the work, that the contract demanded two-inch letters for capitals and initials, and one-inch for the small letters, the stone being twelve inches above ground. It was impossible to get the whole inscription on the stone where the names were long. The contract required the number, name, rank, and State. I selected a long name, Corporal Lawrence O'Sullivan, which, with the number, rank, and the State, I could not get on the stone properly according to the specifications; it did not look well; there was not room for it all. I made drawings just the size of that part of stone above ground of this name, &c. I also made a drawing showing the capitals an inch and a quarter and the other letters one inch. Then I made a drawing with the letters of a uniform size, one inch, throughout, and I submitted to the Department whether the one-inch letter was not preferable, in better taste, and an improvement in the appearance of the work. It was decided that it did improve the work; that it did look better; and it was adopted. Reference to correspondence in Quartermaster's Office will state it as I wrote it, should this be incorrect.

Q. Without any reduction in the price?—A. Without any reduction in the price.

Q. It certainly was great diminution in the labor?—A. No, sir. The way that I proposed to do the work, and did do it, made very little, if any, difference. Before bidding, I had contemplated using the sand-blast, and on the strength of that I made my bid, and it would not matter to me what the size of the letters were; it would not take any longer to run the blast over that surface, whether large or small, and I think I stated that it was not done with a view of saving any money to me, but for the good of the work. I can show copies of those drawings and letters.

Q. Was there not a change in the depth of the letters?—A. It was necessary to make a modification in that respect to correspond with the reduction in size. A one-inch letter would not be required as deep; they had also provided that a letter should be one-fourth of an inch deep. The question was submitted that if the letter was cut as deep as called for in cases where the arms or bars came in figures or letters they would be easily broken. I went to different cemeteries, and, regardless of the size of the letter, I could not find a letter cut so deep as the contract called for. I submitted that, and it was decided that one-eighth of an inch was as deep as you find anywhere

in any other cemetery; I submitted that matter, and when the reduction of the size of the letter was made, the depth was made to correspond, and very properly. The stone-cutters told me that if they were cut by hand it would take them no longer to cut a little deeper than to cut shallow, and with the blast it would make no difference. It would take a little longer, perhaps, to cut a little deeper; if it was any benefit to the work, the machinery in that case would have to run a little slower to cut deeper.

Q. Was there not some change in the specifications as to the color after the contract was let?—A. There was not a change made, but the matter came up in this way: In the large blocks from the quarry it is impossible to get all just exactly alike. I found that there might be, and there was, some question about what was expected in the contract, and what the wording of same required, or the meaning of the term nearly white. Thinking it best to know what would be received, what was meant by the reading of the contract, samples were submitted that I would have to go by to know exactly what would be received, and what would not come within the meaning of the contract. So, to avoid trouble after shipping the stones by having them rejected, those samples were submitted, and the samples that were selected I have lived up to.

Q. Have you been putting up this work?—A. Yes, sir.

Q. Have you put up any work different from the specimens you furnished when you bid?—A. When the sample was decided upon?

Q. Yes.—A. No; I think I have complied with the samples all through; and I have finished 135,280 stones; that is, they are either completed and set in the ground as per contract, or in transit. There are yet remaining to be completed about 117,000.

Q. What length of time do you have to complete that contract?—A. The term of the contract expired, I think, in May, 1874. It has been renewed. The contractors did not, or I did not, receive the papers or contract for three, perhaps two, months after the proper time, and they were renewed for one year, I believe; I think the law did not allow them to be renewed for a longer time than that, but it was stated that the Government did not expect the work could be done within the time stated in the contract; I think a year was the time of extension, but I had always assurances that if the work progressed properly, proper time would be given.

Q. Who has been your inspector?—A. There have been several.

Q. Have you had any work rejected?—A. Yes, sir; some work has been rejected. We complete about 500 stones a day, and some would get finished that were not quite up to the specification, and in that case we would put in others.

Q. What is the specification as to the finish of the stone?—A. As marble head-stones are usually finished; we rub them with coarse sand and then fine sand.

Q. Have you had any accepted from the saw?—A. No, sir; we have never attempted to put one in from the saw. They have all been polished, or finished as contract contemplated. I would state, though, in that connection, that in executing the contract I have gotten stones that were not from the quarry where I have the machinery for finishing; in that case the work has been done by hand, and sometimes I have found when the stones arrived at the cemeteries that they needed finishing after they got there; but before the work would be accepted by the Department, it had all to be finished up in good shape.

Q. In a uniform way?—A. Yes, sir; and in cases where the work has not been finished properly—where it was not quite up to the standard, it has been called to my notice, when I have sent workmen and completed it.

Q. What were the terms and payment as the work progressed?—A. On the completion of each cemetery, it was to be paid for all but ten per cent.

Q. Have you completed any cemetery?—A. All the cemeteries west of the Mississippi are completed, except Jefferson Barracks, at Saint Louis, and many of those east of the Mississippi River, and east of the Alleghanies.

Q. Have any of your payments been anticipated?—A. When I purchased the contracts of Morgan and Jones, I found it required a very large amount of money to execute them. An arrangement was made, by application to the Department, to receive 60 per cent. of the amount due on the completion of large cemeteries when all the stone for the cemetery should be received within the grounds, consigned to the Government, freight paid; the 30 per cent. paid when the cemetery was completed.

By the CHAIRMAN:

Q. Have you any partners in that business?—A. No, sir; I arranged with Sheldon & Slosson, of West Rutland, Vt., to furnish the marble and furnish the money, for which I pay them so much interest on the money and so much per stone, and take the work from the quarry and put it up.

Q. Had you any attorney in securing the contract?—A. No, sir.

Q. Any agent?—A. No, sir.

Q. Any one assisting you?—A. No, sir; it was my right to have it, as I was one of the lowest, and if I could give a bond I felt that I was entitled to it. There is no reason why I should not, according to the advertisement.

Q. This work is all inspected before it is accepted?—A. It is inspected at the quarry

and also at the cemetery before they are set, and again after completed. Some engineer is also there to superintend the work during its progress, and it is also inspected before a certificate is given for the payment.

Q. What engineer has done your inspecting generally?—A. They have different engineers for different departments.

Q. Name them.—A. Capt. S. M. Robbins, Mr. G. D. Chenowith, William Gaw, Mr. Gall, whose first name I don't remember; Mr. Cox, whose initials I don't remember, and Mr. Clark. I think that is all the engineers there are.

Q. These are not Army officers, are they?—A. Not to my knowledge.

Q. Where did Mr. Chenowith inspect for you?—A. He has inspected at Fort Leavenworth, Jefferson City, Keokuk, Rock Island, Camp Butler, Beverly, New Jersey, and the Soldiers' Home. The Soldiers' Home is not completed; the weather was so bad that it could not be completed, but will do so this spring.

Q. What engineer did the largest amount of inspecting for you?—A. Mr. Gall. Perhaps there is not very much difference between Gall and Robbins. They have done the principal part of the inspecting.

Q. Where were you when you received the letter asking you if you would accept a portion of the contract for which you had bid?—A. If I am not mistaken I was at Keokuk.

Q. How long was that after the bidding?—A. I should think within thirty days, as near as I can recollect; same date of the others, I learned.

Q. Were the bids opened before you left Washington, after they were put in?—A. After my bids were given to the Quartermaster-General, or the proper person, I never left the office until they were all opened.

Q. When they were opened at that time, whom did Quartermaster-General Meigs decide was entitled to the work?—A. There was no decision made at the time I left.

Q. Who appeared from the evidence as they were put in to be entitled to the contracts?—A. I left shortly after the bids were opened, knowing that a decision could not be made. I did not stay to exceed five minutes, and I heard no conversation in connection with it.

Q. Was there a New York firm of marble importers whose bid was less than yours?—A. No, sir; not that I know of. No, sir, there was not.

Q. Was there a New York firm of marble importers who were bidders?—A. There was a firm of the name of Walsh Brothers two bids above mine; one referred to Italian marble, just above mine, and the other still much above that.

Q. Did Walsh Brothers have a bid which was less than yours?—A. They did not, to the best of my knowledge. I took a memorandum at the time of all the bids.

Q. Did the Quartermaster-General decide that the Walsh Brothers were entitled to the work?—A. Not that I know of.

By the CHAIRMAN:

Q. Was yours the lowest bid?—A. I do not know just what all the bids were below mine without reference. There were two others for the same kind of marble below mine, as I understand.

By Mr. GLOVER:

Q. Was there a gentleman named Patrick, from Tennessee, who put in a bid?—A. There was a bid of that name, I think.

Q. Do you know the amount of his bid?—A. I do, as per his own statement, which find attached. The price was *above* the awards, and his samples were *not* white marble. I exhibited a sample of Mr. Patrick's stone offered for this work, and he claims his lowest bid for all the work to have been \$797,000.

The amount of bids as awarded, I think you will find correct and as follows:

Bridges's contract,	48,500 slabs, at \$3.56	\$172,160 00
Morgan's contract,	49,597 slabs, at \$3.40	168,629 80
Jones's contract,	49,597 slabs, at \$3.39	168,123 83
Sage's contract,	105,394 blocks, at \$2.42	255,053 48

Number of stones,	253,078	Total.....	763,967 11
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Showing Mr. Patrick's bid to have been higher than the contracts as awarded by \$33,032.89.

The statements purported to have come from him in a Saint Louis paper, are greatly exaggerated in *most cases*. If he made these statements, I think I can prove very many of them *false*. I could answer these questions a great deal more correctly and distinctly if I had my papers. If it would be any benefit to you I can get all these documents and post myself most thoroughly. I will send home and get them and come before you again if it is not satisfactory to-day. I have the book in which I took down the bids, I am quite positive, though I have not seen it since about that time. His bid was not for white marble, though.

Q. Was there a bidder by the name of Jones?—A. Yes, sir.

Q. Where was he from?—A. From information since received he was from Washington. I was not acquainted with a single bidder at the time.

Q. Was there a change in the specifications as to the outlines of the tops of the stones?—A. It was required that they should be slightly curved convex, and they have been made that way.

Q. I think the specification required that they should be precisely square on the tops?—A. No, sir. The contracts read a little different from the specifications, I think, but they read "the part above ground to be polished neatly, and to have the top slightly curved." "Slightly curved convex" is the language of the contract.

Q. The length of the stones below ground depended somewhat upon the latitude?—A. It did. Those north of the latitude of Washington to be deeper in the ground. In the contract these are designated by a star, and in every case I have put them in according to the contract. In fact, I never could have done any other way, for the engineers have demanded and exacted a great deal more than they ought to have done under the circumstances. *Not length*, wholly, but other exactions.

Q. Payments were made through the Quartermaster's Department?—A. Yes, sir.

Q. Where did you draw your money, from the Quartermaster, or by drafts upon the Treasurer?—A. Checks are sent, upon the Assistant Treasurer of New York.

Q. It is not paid from the Quartermaster's fund?—A. They send checks from the Quartermaster's Department as above stated.

Q. Are you certain that they are drawn on the Treasurer?—A. I see very few of the checks, because they are sent to West Rutland, Vt., my headquarters, and I am nearly all the time away. My book-keeper attends to my business there. They are sent from Colonel Rockwell's office, the cemeterial department; they always come from him.

Q. Had you any means of knowing the bids of the other parties before the bids were opened?—A. No, sir. I did not know the parties that bid. I arrived here at 12 o'clock at night; I had to go over my bids, adding the price of marble, and examining carefully my figures; I did not get the final price of marble until I arrived at Vermont. I left there at midnight, and arrived here next night at midnight, and sat up all night to get my papers completed; did not leave my hotel before 10 o'clock the day bids were opened.

Q. What was the form of your formal bid; was it an extended itemized statement, in accordance with the specifications, or just a round bid upon the whole thing?—A. Both, sir. Each cemetery, with few exceptions, was stated in the bid, and a round bid for the whole, twenty-six cemeteries in all, was awarded to me. The contract price \$3.56, and the number of stones amounted to about 48,500.

Q. Did you submit a bid and offer to take the work for so many dollars?—A. My bid was \$900,000 for the whole work. I put in a bid for each cemetery, or nearly so, separately; I either wrote in a separate letter, inclosed with other bid, or wrote it here on the bottom of this form, [showing form,] considering both one and the same, and in one inclosure.

Q. If it should turn out that you did put in a piece of paper stating that you would do the whole work for \$900,000, what would you say?—A. It can turn out no such way, only as above, for I have stated correctly; I either wrote my proposition on a full sheet of foolscap to do all for \$900,000, or on the bottom of the bid, as stated, my bond to cover either. Cemeteries being scattered all over the country, it was much more easy to reach some than others; and I put in a bid of this kind so that I should not get the worst ones at the lowest price. The most remote and difficult to reach were put at proper prices.

Q. If that bid was put on this piece of paper, making a sweeping bid for the whole, at what stage was it done?—A. It, the proposition, was filed in the same envelope with this, [showing one of the blank bids.] If it was on a written sheet, it was written properly or in form, (records of the Department will or ought to show;) but my impression is that I wrote it on this paper or blank form to put in the whole amount, according to the specifications for \$900,000. I had added up the cost, and found that the whole amount would come to so many hundred thousand dollars; I added a proper profit to that, and it was very nearly \$900,000.

Q. You say there was no question at the time as to whether your bid was made at an improper time, or too late?—A. There was never any question, that I know of. The first thing I ever knew of it, or remember of hearing of it, was a statement that I saw published, that Walsh Brothers made; it was a false statement certainly, as far as my knowledge extends, nearly all the way through. If there was any conversation of that kind I did not know it. There was none in my presence in the office. After the bids were opened, I knew that it could not be decided until the matters were examined, because there were so many bids, and I went down to the hotel. After that, somebody came down and said that my bid was the lowest, or among the lowest. I told them that I did not understand it so; I understood that others were lower. What their samples were I could not state. The first intimation that I recollect that my bid was put in too late was in the statement of Walsh Brothers, of New York. That is not the case. I was there fifteen minutes or more before the bids were opened, and when I

have gone to any place to put in a bid personally, I never have put it in until a short time before they were to be opened.

Q. Is the stone you are furnishing all from one quarry?—A. Not quite all of it. About twelve months, perhaps, after the award was made, I had been negotiating, more or less, with the other parties to buy their contracts or to get their work; what I desired was their work, to combine with mine, in order to enable me to give an order for stone, to insure a low figure and arrange other matters, and to put up machinery that would justify me in doing the work. I finally bought them out. Morgan, of this city, received about one-third; Charles H. Jones received about one-third; and I received about one-third of the slabs. Mine was at \$3.56; Morgan's, \$3.40; and Jones's at \$3.39. That was for the slabs. D. C. Sage, of Cromwell, Conn., bid \$2.42 for the blocks—the whole of them.

Q. How came it to be that they were not all awarded, slabs and blocks, to the lowest bidder?—A. That was where we were unjustly dealt with; we felt the prices were so fearfully low any way. It was figured up that the Government could save \$125,000 by giving Sage the blocks and giving us the slabs. I bid for the slabs and blocks together; and I thought I would write a letter, accepting only blocks and slabs for these cemeteries, at \$3.56; but I was fearful that they might say, "You can go without," and therefore I accepted those offered, 35,000, all of them at \$3.56. Here is my memorandum of the bids, in part, for white marble:

	Slabs.	Blocks.
C. S. Jones	\$3 39	\$3 39
Thomas P. Morgan	3 40	3 40
S. G. Bridges	3 56	3 56
Walsh Brothers, (Italian).....	3 65	3 65
James Parker	3 85	3 85
The Brandon Marble Company.....	3 89	3 89
W. J. F. Delta	4 25	4 25
D. V. Howell	4 65	2 90
D. C. Sage	5 00	2 42

Now, taking all the blocks at \$2.42, and the slabs at the prices on that memorandum, they figured that the Government would save about \$125,000.

The CHAIRMAN. According to this memorandum, Jones was the lowest bidder.

The WITNESS. Yes, for white marble he was the lowest bidder; but a letter was submitted to Mr. Jones, Mr. Morgan, myself, and the Brandon Marble Company, (I am so informed,) to know whether we would take one-fourth of the work each.

Q. Why wasn't the contract given to Jones, as he was the lowest bidder?—A. I was told—I do not now call to mind where the information came from—that the Secretary of War thought the contract was too much for one, and that he would not give it to any one person.

Q. Was there not one bid at that time which was more than one hundred thousand dollars less than your bid for the whole work?—A. No, sir; the difference between Mr. Jones's figures at \$3.39 for all the stones, 253,078, and my bid at \$3.56, is \$43,023.26. The contracts were not so let; the blocks were awarded at \$2.42, instead of \$3.39, \$3.40, and \$3.56; the difference between Jones's price at \$3.39, and my figures at \$3.56, on 147,694 slabs, is \$25,107.98.

Q. His bid for blocks was \$3.39, and for slabs \$3.39. Your bid for slabs was \$3.56, and for blocks \$3.56. What difference did that make in the bids?—A. Answered above, \$43,023.26.

Q. For both slabs and blocks?—A. Yes, sir; answered above, if I mistake not.

Q. But suppose the work had been given just as the bids were made?—A. If we had taken the slabs and the blocks in the way the bids were made, the Government would not have saved this \$125,000, but they were not so taken.

Q. But if you take the figures as they were made in those bids at the time for both the slabs and the blocks, would not the difference between your bid and Jones's have been greater than the amount you have stated, making the calculation for the whole work?—A. No, sir; answered above, if I mistake not.

Q. Did Jones get either the slabs or the blocks?—A. He got one-third of the slabs.

Q. Why did not he get them all?—A. I am not able to answer that question. I contended that whoever was the lowest bidder should have the whole contract. If my bid had been \$3.39, I should have contended most earnestly that if I could bond satisfactorily, I would be entitled to have the whole. But there is a clause in the advertisement which provides that the work is to be let to some responsible person or persons, and I think it was held that that was inserted as a sort of reserve clause, on the ground that it would be, perhaps, too large a contract of this kind of work to let to any one man. I know I was told that the contract would not be let to any one man, because they did not think it could be executed within a reasonable time. At that time the Government expected that the work would be done by hand, I presume, and they knew, as I know now, for I have learned by experience, that it never could have been executed

by hand within any reasonable time allowed; I do not think it could be done by hand within five years. We turn out about three hundred headstones and slabs a day, and two hundred blocks, making together five hundred a day, where one man, working by hand, could do about ten, and to raise the letters within a shield could not do over three per day, if he worked rapidly.

Q. Thomas Morgan seems to have bid \$3.40 for the stones and \$3.40 for the slabs, ten cents less on each than your bid. What portion of the contract, if any, did he get, and why did he not get it all?—A. He got one-third, also. There was the same reason why he did not get it all, as in the other case, I presume.

Q. What portion of the blocks did Jones get?—A. He did not get any.

Q. Who got the blocks?—A. D. C. Sage.

Q. Did he get all the blocks?—A. He got all the blocks.

Q. And you got one-third of the slabs, Morgan got one-third, and Jones one-third?—

A. Yes.

Q. At what price?—A. \$3.56 was my price.

Q. What price did Morgan & Co. get?—A. \$3.40.

Q. And Jones?—A. \$3.39.

Q. Do you know any reason why that contract for the blocks was let in that way?—

A. Because Government would save about \$125,000 by giving the blocks to Sage, is the only version I can give.

By Mr. GLOVER:

Q. Do you know any reason why all three of these parties should not have done the work at the lowest bid? Could not you have done it at Jones's price?—A. I could have done it at Jones's price with the use of the blast, as the result has proven.

Q. But Jones had underbid you, and now, as you were not entitled to the contract under the terms of the letting, and yet were awarded a portion of it, I ask why you were not awarded it at Jones's price?—A. I do not know. If any person should get it all at that price I should suppose it would be Mr. Jones. I would not get it at his figures.

Q. You do not know the reason why you got it at higher figures than Jones?—A. No, I do not know anything about it, only as stated, and that is hearsay.

By Mr. TERRY:

Q. Did the advertisement state that the contract would be given to the lowest bidder?—A. I bid with that understanding—Government always reserving the right to reject any or all bids. Always in bidding on a contract that is the understanding.

By the CHAIRMAN:

Q. Are you doing any part of the work, except the one-third of the slabs, now?—A. I am doing all the work. I have arranged with the others to do the work at their figures. I take their place in the work, having a power of attorney to collect the money.

By Mr. TERRY:

Q. So you are doing the entire work, notwithstanding the fact that the Government would not give it to any one individual?—A. Government could not prevent my arranging with other contractors to do this work. I could not do my own third for \$3.56 and come out safe without the use of the blast; also, for the reason that in arranging my freights I found that when I could control the whole of the work I could make much better bargains; and so in arranging for doing the work, putting up machinery, the same principle applied. I could do it a great deal cheaper in proportion where I had a large amount than where I had a smaller amount. I had bought the sand-blast, and was paying for it at any rate, whether I got their work or not. I had bought the patent-right for the whole 253,000 stones. That is how I came to get the whole of the work to do, as far as the slabs are concerned.

By the CHAIRMAN:

Q. Then the reasoning of the Department that one man could not do all the work was a mistake?—A. I do not think it was a mistake. I do not think any one person could have executed the whole contract by hand, within any reasonable time, for the prices paid.

Q. Are you not executing the whole of it?—A. I am, with the machinery that I happen to have—having the patent-right. If I had that patent-right, however, the Government or any other contractor would not have the benefit of it unless first arranging with me.

Q. You say you could not have done the one-third of the work at \$3.56 at a profit?—A. I could not, from my experience thus far, without the blast.

Q. But you can do one-third at \$3.56, one-third at \$3.40, and one-third at \$3.39 at a profit, can you?—A. I hope to. I make the money by having all, as before said, and on the blocks. I bought out Mr. Sage's contract for the blocks before I arranged with Morgan and Jones for their share of the slabs. There is more profit on the blocks because there is less lettering and work.

By Mr. GLOVER:

Q. There was some profit in the slabs, though, or else having bought out the contract for the blocks in advance you would not have had any inducement to buy out the contracts for the slabs?—A. I have explained that by having a larger amount of work to do I got lower freights, and the same principle applies to the machinery for doing the work—the same principle all the way through. I would not have been justified in putting up the machinery for one-third of the work, but I can do it unless misfortune overtakes me, for the whole, and not be the loser.

Q. All those arguments would have been potent in favor of letting the contract to one person originally, would they not?—A. If all could have been known that I have demonstrated by experience, I should say yes.

By the CHAIRMAN:

Q. Did you take the contract understanding the rates of transportation paid by the Quartermaster's Department?—A. I did not; I do not know what the Government rate is.

Q. Did you meet a Mr. Wright about the time you were making your bid?—A. We stood side by side when the bids were being opened. He was a stranger to me at that time.

Q. Was he bidding?—A. I cannot say whether he bid or not. He stood there and said (afterward, I think) he had put in a bid. I don't know whether he had or not, but I presume he had, because he said so.

Q. Who was the person who divided up the work; the Quartermaster-General or the Secretary of War?—A. I do not know.

Q. You stated a short time ago that the Secretary of War said that one party could not perform the whole work?—A. I did not make that as a positive statement. I said that that was a current rumor, that I was told so; but who the authority for it was I could not state.

Q. How much will the entire contract which you now have under your hands amount to when complete?—A. Close figuring upon that will depend upon the number of stones required. At some of the cemeteries the number is increased beyond the numbers given in the specification; the specification gives approximate numbers. Taking number in specification will amount to \$763,977.11.

Q. Taking the number that you have contracted and subcontracted for, which is to include all, what will the total be?—A. The contract reads that we were to furnish whatever number the Government requires, more or less; but I can figure it on any basis you desire, of course. The number is about 253,088; amount, \$763,977.11.

By Mr. GLOVER:

Q. What bonus do you pay Jones for his contract?—A. I did not pay Mr. Jones personally anything.

Q. Have you not to pay him something?—A. My arrangement was made with Morgan. Nearly a year had expired, and Mr. Jones had not done any work and Mr. Morgan had put up only 1,288 in one cemetery, Brownsville, Tex., and there was no prospect of his going ahead.

Q. Did you get Jones's contract through Morgan?—A. Yes. My understanding of it from Morgan was that up to a certain time Mr. Jones had refused to conform to his contract or to do the work, or had made some statement to the Department—what, exactly, I cannot state, but Mr. Morgan had agreed to do it at Jones's price.

Q. So the Government took the contract from Jones?—A. They did not take it from him. I think he wished them to cancel his contract.

Q. What did you pay to Morgan in the way of bonus?—A. When I settled with him I gave him paper, contingent upon certain conditions, to the amount of \$20,000; that is for his and Jones's work. At that time he controlled Jones's contract.

Q. Is that all that you are to pay in the final settlement for his interest?—A. Yes; I was ashamed to even say that I had conditionally given that much, or that I agreed to pay him that much.

Q. Then it turned out that there was a little profit in that work?—A. Excuse haste: I ought to state that afterward that matter was compromised. The paper was given to be paid on the completion of certain cemeteries, but it was afterward changed and made cash or its equivalent, and the amount was reduced to some \$13,000, or about that, instead of \$20,000.

Q. What did you pay Mr. Sage?—A. He was to have a portion of his pay on the completion of each cemetery, and the reserved 10 per cent.

Q. What do you think will be the aggregate bonus to Sage for his contract?—A. It will be a little rising of \$40,000.

Q. Is it not your opinion now that the contract for the slabs alone was a pretty good thing?—A. I find I have miscalculated some, and there is no profit, so far as the work has gone, worth mentioning.

Q. Unless you have overpaid Morgan, the profit on the slabs alone would be \$16,000.

or \$17,000, according to what you allowed Morgan?—A. Yes; but the expense and incidentals are a great deal more than I anticipated, and the exactions of the Government have been a great deal more, also, than I anticipated.

Q. You have no partners in the work, you say?—A. No, sir; no one except as I have told you. My articles of agreement are that I pay so much interest on the money and so much for the stone; what is made over and above that is mine.

By Mr. MACDOUGALL:

Q. At what time of the year did this letting take place?—A. In September, 1873. The contracts were dated, some December 15 and some December 31.

Q. Were you in this city several days before the letting?—A. No, sir; I arrived at midnight, as before stated, and the bids were opened at 11 o'clock following day.

Q. What hotel did you stop at?—A. The Ebbitt House.

Q. What time of the day were the bids opened?—A. Eleven o'clock.

Q. Where were they opened?—A. In the Quartermaster-General's Office, in the corner room.

Q. Did you have an interview with a man named Wright?

The WITNESS. Where?

Mr. MACDOUGALL. At your room at the Ebbitt House.

A. Yes, sir; after the letting was over. He came down after the bids were opened and made the remark to me that my bid was the lowest, or one of the lowest.

Q. What, if anything, occurred between you and him in relation to this bidding?—A. I remember nothing except that he was anxious to know how I figured up my bid. Says I, "If you will come to my room I will show you." He did come to my room, and I showed him. He then made the statement that he did not believe there was another man that bid that figured it in that way.

Q. Was your bid not handed into the Quartermaster-General after most of the bids had been opened?—A. No, sir; my bid was handed in fifteen minutes before the first bid was opened. My samples were deposited with the Quartermaster-General and my bids handed in fifteen minutes before they began opening them.

Q. Were you in that room at the opening of the bids?—A. I was; I did not leave the room till all the bids were opened.

Q. Do you say that you had no conversation with the Secretary of War about this letting at all?—A. I had no conversation that I call to mind. The Secretary of War did not know that I was going to bid, that I know of, until that day the bids were opened, and then everybody knew it. I do not think he did; he did not know it from me, any more than through the correspondence that I have spoken of—the preliminary correspondence.

Q. Did that correspondence occur with the Secretary of War?—A. No, sir; it was with the Quartermaster-General; I think, always to Quartermaster-General or his office.

WASHINGTON, D. C., *March* 13, 1876.

SAMUEL G. BRIDGES recalled.

By the CHAIRMAN:

Question. I want to ask the shape of the head-stones that you made and delivered?—Answer. The slabs were 10 inches wide, 4 inches thick, and 3 feet long for cemeteries south of the latitude of Washington, and 3 feet 6 inches north of the latitude of Washington.

Q. What was the shape of the tops of them?—A. That has reference to the slabs. Do you wish the size of the blocks?

The CHAIRMAN. Yes.

A. The blocks were to be 6 inches square and 2 feet and a half long.

Q. Were the slabs round or square at the tops?—A. Slightly curved; convex.

Q. I want to ask, if in lettering the slabs any one proved incorrect, you turned the slab and put the rounded end down?—A. In some cases, for defects or breakage in transit, the slab has been turned, and was used with the same inscription cut on that other end.

Q. Where mistakes were made in the lettering on the slabs did you change any of the stones end for end?—A. The same answer as before; for defects or errors of any kind they were changed. It was necessary to do it, in order to comply with the contract.

Q. In putting the rounded ends of the stones in the ground, did you comply with the terms of the contract?—A. They were so slightly curved that it made no difference; but in some cases, if they were very much curved, they were coped square off. Generally, however, they were so slightly curved that they were used by reversing them; the greatest curve being one inch from a square surface, sometimes not more than a half inch.

By Mr. GLOVER :

Q. Were the slabs of the same thickness clear through, from end to end?—A. Yes, sir; all of uniform thickness.

By the CHAIRMAN :

Q. Did the contract require that the end of the stones put in the ground should be square?—A. Just the wording of the contract in that respect I do not call to mind. I have not the paper with me that I had on Saturday; it was left at my room. They were to be substantially a square base, however.

Q. Do you state that you do not know, then, whether under the contract the end of the stone which was put in the ground should be square or not?—A. Yes, sir; it was to be square, or substantially so. The end was to be square, or nearly so. I have forgotten the exact wording of the contract.

Q. Would a stone, then, that had been prepared, lettered, and rounded in accordance with the contract, if turned and used, be a stone made in accordance with the contract?—A. Substantially so. In many cases, if the top of the stone was convex, the rounded part of the stone has been coped off to make the stone more square. Generally speaking, the top was so slightly curved and so nearly square that one would hardly notice the difference.

Q. Would a stone that had been rounded, lettered, and prepared under the contract, if turned, and the top made the base, be a stone in compliance with the terms of the contract?—A. I should so consider it, and have so considered it. The engineer requested them made square, as above described, in cases requiring it.

Q. Have the inspectors who inspected your work so considered them and passed them?—A. They have, as answered in my previous answer.

Q. Who are the inspectors who have done it?—A. All the inspectors that have been on the work, so far as I know. Those cases have been very few, however, at any place. Cases of that kind have not often occurred where they were required to be turned.

Q. Would not a stone so rounded, when turned and placed in the ground, be much more liable to fall over, than a stone that was made in accordance with the contract?—A. I think not. The contract did not provide that the base should be sawed, but the meaning of the contract was that it should be coped, and in the majority of cases where the stone was turned the base was as nearly square as the stones coped, generally, with the tool, and in my judgment would be just as serviceable and just as permanent in the ground as any other.

Q. Then are the tops of the stones as they have been put up as nearly square, generally, as the feet of the stones that are in the ground?—A. The contract reads "slightly curved;" the curve has been but slight. To explain that more fully, the slabs are sawed to size. The bases have been coped, leaving them nearly square—as nearly square as they can be left with the tool, generally. I could furnish the committee a sample, which would show what I mean better than I can explain by mere words.

Q. Are the stones that you have furnished square, or are they round at the top?—A. Not square, but slightly curved; convex. I have not erected one that was square on the top.

Q. What is the rule, as to the curve, which you observe in making them?—A. No rule, except slightly curved, convex. In some cases they have been more convex than in others, but none to exceed an inch curve, I think, from a square top.

Q. Are you not required to make them uniform in curvature?—A. The contract does not so state; it says slightly curved, convex.

Q. Do not the inspectors require them to be of uniform curvature?—A. I have never finished any one cemetery complete, except where the curvature has been nearly, if not quite, uniform throughout that cemetery.

Q. Did you have any interest in the sand-blast that you named in your testimony at the time you put in your bid for the contract?—A. I had not arranged for the use of it at that time. I had known of it, and contemplated its use in making my figures.

By Mr. TERRY :

Q. Did you not know upon what terms you could use it?—A. I did not, positively.

Q. Had you no negotiation with the owners of that principle?—A. I had not seen the principle, but had seen persons, and had conversations with persons who knew about the blast.

Q. Had you not pretty good assurance as to what the terms would be for its use?—A. Enough so to justify my figuring on a certain basis.

Q. What did you have to pay for the privilege of using the sand-blast?—A. Four cents a stone for the entire contract.

Q. You paid that as a royalty?—A. As a royalty.

By Mr. MACDOUGALL :

Q. How long before you had this interview with Mr. Wright, in your room at the Ebbitt House, was it when you received a communication from the late Secretary of

War, that you exhibited to him there?—A. I did not exhibit any such communication there to him or any one else. I had none, except the letter from the Quartermaster-General which spoke of the abbreviations. May have shown that, but none from the Secretary of War. He, Wright, is mistaken if he says to the contrary.

Q. Did you not show him a letter from Mr. Belknap at that interview at your room?—

A. I do not call to mind what you or he have reference to. I had no letters from him, and none from anybody else, that I remember. I might have shown him the letter or printed form touching the abbreviations. That was from General Meigs or his office; I do not remember what the signature was. I have a copy of that at home. I had no correspondence to show this man Wright, that I know of.

Q. What, if anything, did you say to Wright about your knowing that you were going to receive that contract?—A. I had no conversation with Wright in connection with that. I did not know that I was going to have the contract; I did not know that my bid was the lowest. He made the remark to me when he came down to the hotel, if I remember right, that I was either the lowest bidder, or among the lowest bidders, though I did not know that. I had not looked at the memorandum in my book, and because there were so many bids under me that I did not so understand it. He said, "They are not for marble." I said, "If that is the case, I have not got the information all down." This is the conversation, as near as I remember it.

Q. Did not your first meeting with him occur at the foot of the stairs in the Quartermaster-General's Office?—A. No, sir; I never met the gentleman at all, or spoke to him, until when we stood side by side while the bids were being opened.

Q. You are quite positive about that, are you?—A. I never met him to know him, and never spoke to him. I never met him, to my knowledge, before I stood with him side by side in the room.

Q. The first conversation you had with him, then, was while the bids were being opened, and he happened to be standing by your side?—A. Yes. As we were standing side by side he annoyed me very much by asking about the figures as the bids were being opened.

Q. What Vermont firm is interested in furnishing these head-stones?—A. Sheldon & Slosson.

Q. How did they happen to become interested with you in the contract; what interest have they in that now?—A. My connection with Sheldon & Slosson came about in this way: their prices were the lowest for marble, and my samples were from them; promised if I should get the contract, to get marble from them; having received the award for a portion, carried out my agreement and contracted with them for my stone. After completing a portion of my contract with Mr. Williams, a former partner, an arrangement was made to purchase his, Williams's interest. When that was done, or about that time, I completed an arrangement with Sheldon & Slosson to furnish all the stone and necessary means to execute the contracts. Have answered before what interest they have now. Under this agreement the work is being executed. I wrote to them, with other marble-dealers, for samples of marble and prices of the same, with a view to bidding on this contract. On my way here from home to Washington to bid, I called on them at their quarries and got samples of marble, and prices of the same. They made the remark that they would give me prices that would enable me to bid low for the work, provided I would get the stone of them if the contract should be awarded to me. I replied I would, and took my samples and came to Washington to bid on the work.

Q. Have you seen Mr. Sheldon recently?—A. I have; he is in the city, or was; he has gone now.

Q. Have you seen him within a day or two?—A. Yes, sir.

Q. Did you have any conversation with him as to what your testimony was to be before this committee?—A. I did not, that I call to mind.

Q. What was said between you and him, if anything, about this investigation?—A. The conversation has been general with regard to the whole work.

Q. I am speaking about the investigation; I am not speaking about the work.—A. I do not remember any conversation in particular with regard to the investigation, except that he might be called before the committee.

Q. Did you see Mr. Sheldon yesterday?—A. I saw Mr. Sheldon yesterday.

Q. Do you pretend to tell me that you did not tell him anything about the testimony you have given here, or you might give by and by, in relation to it? Tell us all that occurred between you and Mr. Sheldon yesterday.—A. Nothing of importance touching investigation.

Q. Tell us what it was, and let us judge about the importance of it.—A. I not call to mind any conversation, in particular, touching the matter, that amounts to anything or is of importance.

Q. What was the occasion of your seeing him yesterday?—A. Mr. Sheldon came here with a view to a settlement with one of the parties whose contract I purchased. I came here for the same purpose, expecting to meet that man here. He has not been here. The conversation since I have been here has been generally in connection with

the work at different points in North Carolina, South Carolina, and Tennessee, and not particularly on this matter of investigation.

Q. You avoid my question every time.—A. Not purposely, sir.

Q. I want to know what has been said, between you and Mr. Sheldon, about this investigation.—A. He has said that the evidence would show this contract all straight. I don't call to mind anything further in particular in regard to it.

Q. You started to say "he has said;" now, what has he said?—A. He has said if he was called upon to state before the committee in regard to the expenditures and the exactions required by the officials, that there would be no profit in the work, and that the amount of money required to carry it on was enormous.

Q. State what further occurred.—A. Said in conversation that the amount required to carry it on was too large, and expenses must be cut down or I would not make anything. The conversation has been so general about the work going on, and the investigation, and all other matters, that I cannot give all that has been said. There has been no direct line of conversation in connection with it. It has been with regard to other matters.

Q. It seems to me you have a very treacherous memory, when you are not able to remember this conversation, and can remember so many other things.—A. He thought his testimony would convince the committee that the expenditures were so large that, had I not made arrangements with them, it never would have been executed.

Q. State what further was said.—A. It is not my aim to keep anything back. It is my aim to tell what I know; but there is nothing to tell about it. That is all.

Q. Can you not refresh your memory a little about this letter which you had from the Secretary of War, which you exhibited to Mr. Wright at the opening of the bids? Can you tell where you received it?

The WITNESS. Do you mean a letter having reference to the abbreviations?

Mr. MACDOUGALL. No.

A. There is no other letter that I know anything about, or have any recollection of.

By Mr. GLOVER:

Q. Have you seen the late Secretary of War since you came to town?—A. I have not.

Q. Have you had any conversation with him about this matter?—A. I have not.

By Mr. TERRY:

Q. Have you ever had any business transactions with Mr. Belknap?—A. Never.

Q. Were you ever interested with him in any business transactions?—A. No, sir.

Q. Are you related to or connected with him?—A. Not at all.

By Mr. GLOVER:

Q. Are you clear in your recollection that there was no question about the validity of your bid at the time that the bids were opened?—A. Never, that I have heard. The first I ever heard was what I saw published in the papers by Walsh Brothers, of New York. I would not be likely to work two or three months to get up bids, spend thousands of dollars to get information, and come a thousand or fifteen hundred miles, and put them in the day after the fair; and I did not do it. My bids went in fifteen minutes before the opening, and I gave samples to General Meigs.

By Mr. MACDOUGALL:

Q. You gave security for the performance of those contracts, did you not?—A. I did.

Q. Who were your sureties?—A. A. L. Connable and George Williams, both of Keokuk, Iowa, were bondsmen on my contract.

Q. What was the amount of the surety?—A. Thirty thousand dollars was the bond, I think.

Q. What was your pecuniary condition at the time you took this contract?—A. I made an arrangement with a party to furnish the money to carry on the contract, and the profits were to be divided. I was to execute the work, and he was to furnish the money.

Q. What was your condition as to pecuniary responsibility at that time?

The WITNESS. At the time the contract was awarded?

Mr. MACDOUGALL. Yes.

A. Just about that time I had had trouble; but it was after the bids were opened. I was all right when the bids were opened.

Q. Who was this party who was your partner in the transaction?—A. George Williams, one of the bondsmen.

Q. Was he known to be interested with you in it at the time?—A. Yes, sir; when he signed the bonds it was known.

Q. Did his name appear as one of the bidders?—A. It did not. He did not know anything about it, and was not consulted when I bid. H. N. Bostwick and J. Renaud were my sureties on the bid.

Q. After the bid was awarded, you made the arrangement?—A. Before that it was arranged, provided I should succeed in getting the contract or award.

Q. How long after the opening of the bids until you were notified that your bid was

accepted?—A. I cannot call to mind the date. I can tell by reference to papers and books at home.

Q. How long a time elapsed; can you not tell pretty nearly?—A. The contract was dated December 15; but I did not receive the papers, and did not know whether I ever would receive them, I think, until in the latter part of January or February following. That is my impression.

By Mr. TERRY:

Q. You did not answer General MacDougall's question directly. He asked you your pecuniary circumstances. I will ask you now, were you worth anything at the time you put in that bid?—A. I considered that I was.

Q. How much?—A. I cannot state that exactly.

Q. Let us have an approximation to it.—A. I had a stock of goods, mining-stock, unincumbered real estate, bills receivable, &c. That is a question I cannot answer exactly. I do not know how much.

Q. Can you not come within a few thousand dollars of what you were worth?—A. I had property, &c., that represented and cost me about thirty-five to forty-five thousand dollars, perhaps.

Q. Had you paid for that property?—A. It was not wholly paid for; I was in debt more or less.

Q. What was the amount of your indebtedness at the time you had thirty-five or forty-five thousand dollars' worth of property?—A. I cannot state without reference to books and papers.

Q. Can you not come even within a few thousand dollars?—A. I could not without reference to books and papers.

Q. Were you worth \$5,000, clear of all liabilities at that time?—A. I considered myself worth more.

Q. Were you worth \$10,000, clear of all liabilities?—A. I could not state that I was not.

Q. You considered yourself, however, worth \$5,000?—A. Yes, sir; I did.

By Mr. GLOVER:

Q. Is Mr. Williams in any way related to the late Secretary of War?—A. No, sir.

Q. Was he connected with him in business?—A. Never to my knowledge, sir.

By Mr. TERRY:

Q. You and General Belknap lived in the same town, did you not, before he was Secretary of War?—A. He originally came from there.

Q. How long had you and he been acquainted?—A. I became acquainted with him about the commencement of the war.

Q. Was he informed in general terms of your financial condition? Did he know it?—A. I do not think he did. I have no reason to think he did, until my trouble; he then sent an agent to investigate the matter. I was so informed. When he learned that Mr. Williams was my partner, and to furnish means, I think he became satisfied that the contract would be executed.

By Mr. GLOVER:

Q. General Williams, your partner, is very wealthy, is he not?—A. So considered.

Q. How many times has your contract been extended?—A. Once; all the contracts were extended at that time.

Q. When does the last limitation expire?—A. In June, if I remember right.

By the CHAIRMAN:

Q. Do you know of any presents of watches, money, or other article of value, of any kind, having been given at any time, by any one, to any inspector of stones?—A. I do not.

Q. Do you know of any present of a watch, or any other article of value, having been given to Inspector Chenoweth at any time?—A. I do not.

By Mr. STRAIT:

Q. Have you ever had any trouble with the inspection or acceptance of your stones in any way?—A. They have been rejected temporarily, but the work has been made good, as the inspectors required, before the certificates were given. In some cases the stones have been rejected at the quarry, and those have been thrown out and others put in their places.

Q. Because they were not up to specification, or what?—A. Not up to standard as to the quality of the stone—not coming up to the contract.

Q. Do you know anything about the quality of stone furnished by Mr. Doherty?—A. I do not. I saw some that were brought up here to Washington, on a car, for inspection. I was requested to go down and see them.

Q. They were rejected, were they?—A. I understood some of them were rejected. They were brought up here for inspection—some that were rejected and some that were not.

SAM. G. BRIDGES.

THURSDAY, March 16, 1876.

CHARLES S. JONES sworn and examined.

By the CHAIRMAN :

Question. Where is your residence?—Answer. I reside in this city.

Q. Please state what you know in reference to the letting of the contracts for supplying head-stones to the graves of soldiers in the different national cemeteries throughout the country, by whom the same was done, and all the facts you are in possession of in reference to it.—A. Before proceeding with my reply to your question, I would ask permission, being a stranger to the committee, to present the following letters of indorsement from parties in this city who have known me for many years, and whose letters may possibly give more weight to any statement I may make than under the circumstances it would otherwise possess. These letters were placed on file with my bid for the work on the day of their date :

“WASHINGTON, October 11, 1873.

“SIR: We are well acquainted with Mr. Charles S. Jones, of this city, and can confidently recommend him as reliable in every respect, and fully competent to carry out any obligation he may enter into with the Government.

“Very respectfully, your obedient servant,

“JNO. B. BLAKE.

“HON. SECRETARY WAR,
“Washington, D. C.”

Mr. Blake was then president of the National Metropolitan Bank of this city.

“WASHINGTON, October 11, 1873.

“DEAR SIR: I have known Charles S. Jones for the last twenty years, and have had the best opportunities for noting his business capacity and strict integrity. Any engagement he may enter into will be faithfully and promptly complied with. No citizen of Washington has a better record. He claims nothing but what his merits have earned for him.

“Respectfully,

“JNO. L. KIDWELL.”

“I concur in above.

“GEO. W. RIGGS.”

“True copy of papers filed with contract of Mr. Charles S. Jones in Quartermaster-General's Office.

“A. J. MCGONNIGLE,
“Capt. and A. Q. M., U. S. A.

“A true copy.

“H. T. CROSBY,
“Chief Clerk.

“WAR DEPARTMENT, August 27, 1874.”

I will now proceed with my reply to your question.

On the 6th of September, 1873, I deposited with the Quartermaster-General of the United States Army a bid for the entire head-stone work in the national cemeteries, as advertised for by that officer in the public papers from the 27th of June preceding. The various bids for the work were opened by the Quartermaster-General, in his office, on the day first named, and although comparatively few in number and simple in detail, having reference to the published and printed advertisements, contracts under them were not finally awarded until the 17th of November following, a period of nearly two and a half months. The Washington Chronicle of September 9, 1873, published a schedule of the bids coming within the terms of the advertisement of June 27, 1873, which, though not critically accurate, will be found substantially so, as follows :

Number of slabs, 147,694. Number of blocks, 105,394.

	Slabs.	Blocks.	Total cost.
C. M. Howell			\$999,998 00
D. C. Sage	\$5 00	\$2 42	994,146 54
Walsh Bros	3 93	3 93	994,146 54
D. V. Howell	4 65	2 90	983,079 39
Brandon Marble Company	3 89	3 89	973,861 35
J. Parker	3 85	3 85	970,154 75
J. W. Detta	4 25	3 25	960,000 00
Walsh Bros	3 65	3 65	923,271 15
Samuel G. Bridges			900,000 00
T. P. Morgan	3 40	3 40	860,033 40
Charles S. Jones	3 39	3 39	857,503 89
Knoxville Marble Company	3 50	2 65	796,154 75

The Chronicle, in publishing the schedule, stated that the awards had not then been made, but probably would be the next day. Such, however, was not the case. The bid of the Knoxville Marble Company was ruled out by the Secretary of War, because, as was stated, of an inferior quality of marble being offered by them, and then, as will be seen by the schedule, I became, in fact, the lowest bidder for the entire work.

Among the bidders were Samuel G. Bridges, of Keokuk, Iowa, and D. C. Sage, of Connecticut, both at high figures. After the proposals were opened by the Quartermaster-General they were not decided by him in the ordinary way, but were referred to the Secretary of War, as General Meigs informed me.

On the 27th of October, 1873, nearly two months after the opening of the bids, I received a communication from the Acting Quartermaster-General of the Army, (a copy of this letter is appended, marked "A,") desiring to know whether I would agree to furnish about one-fourth the total number of slabs required in the cemeteries at the same price each for which I had in my bid of September 6 offered to furnish both slabs and blocks for the entire work. Now, I had averaged both the slabs and blocks as to price, (as had most of the bidders,) knowing full well that while very little would be made at my price on the former, there was a considerable margin of profit on the latter.

Could I have anticipated any such division of my proposal it would have been stated at \$4.39 for slabs and \$2.39 for blocks; but supposing that, as in all such cases, the aggregate in dollars and cents would be the controlling element in a final award of the contract, I averaged the bid for the two descriptions of work as a mere matter of convenient calculation. Three days before the receipt of this letter from the Acting Quartermaster-General, namely, on the 25th of October, D. C. Sage, one of the bidders, who was then in the city, informed me that he was authorized to state that I would only be given a portion of the work, and if I did not accept what was offered I would not be allowed to have any of it.

Notwithstanding this, regarding the proposition contained in the letter just referred to as being grossly unjust and inequitable, as well as in violation of my legal rights as the then lowest bidder for the whole work, four days thereafter, viz, on the 31st of October, I addressed a letter to the Quartermaster-General's Office, (a copy of this letter is appended, marked "B,") in effect declining it. On Tuesday, November 4, 1873, about 11 a. m., I was standing on Seventeenth street, near the northwest corner of the War Department, awaiting a friend from the direction of Georgetown. Turning my eye in an opposite direction, I saw Mr. Sage and another person enter the War Department inclosure at the north gate, and upon reaching the main door under the portico they were met by Secretary Belknap, who received them very cordially, and the three walked together out of the inclosure to the avenue, and eastwardly until I lost sight of them.

About 1 o'clock p. m., same day, Mr. Sage, whom I did not at the moment see, hailed me as I was passing along the north side of F street, near Fifteenth street, opposite the Treasury Department. After the exchange of a few friendly salutations, he asked me how things were going on in regard to the head-stone contracts. I replied that it was impossible to tell, as everything in that line seemed very much mixed. "So I understand," said he, "since coming here this morning, and I hear that Secretary Belknap is very much embarrassed on the subject, hardly knowing what to do." He then proceeded to express his great regret that I had not accepted the offer contained in the letter of the Acting Quartermaster-General of October 27, evidently having a full knowledge of it before meeting me. He stated that if I did not ultimately accept it I would be altogether excluded from the work; but that if I would reconsider my determination, and accept the same, he would pay me as high as \$15,000 in cash upon its being assigned to him, and the same amount to Mr. Morgan for his part. This I agreed to do, and on the same day addressed a letter to the Secretary of War, (a copy of this letter is appended, marked "C,") withdrawing my letter of October 31, preceding, and signifying my acceptance of the proposition of the Acting Quartermaster-General, dated October 27, 1873. I stated the conversation alluded to, within an hour after it occurred, to Mr. T. P. Morgan, of this city, who will verify what I say in respect to it.

On the 17th of November following, I received another communication from the Acting Quartermaster-General, allotting me one-third of the entire number of slabs required for the cemeteries; the increase from one-fourth to one-third arising from the fact that the Brandon (Vermont) Marble Company refused to take the one-fourth of the slabs offered to them at their original bid of \$3.89 for both slabs and blocks, so that the entire number of slabs was finally divided between myself, T. P. Morgan, and S. G. Bridges; while the entire number of blocks, nearly half the work, and by far the most profitable part, was given by the Secretary of War to D. C. Sage.

I immediately entered into security for the performance of my part of the work in the sum of thirty-five thousand dollars, two of my personal friends here, George H. Plant and Thomas Lewis, going on my bond. Sage failed in his promise to me, and finding out, as I knew full well at the outset, that, in its diminished form, there was no real profit in it, or, rather, that the margin of profits was so small that it might by adverse rulings of the Secretary during the progress of the work result in loss, I transferred

it to T. P. Morgan, the next highest bidder, who, as I before said, had been awarded one-third of the slabs at the same time with myself.

He struggled with the two-thirds for a while, but finding the whole action of the Department in connection with the contract averse to him, so that he could not get along at all, he finally made assignment of the two-thirds of the slabs held by him to Samuel G. Bridges, of Iowa, who thus became possessed of the contract for the entire number of slabs; D. C. Sage, as I have said, having secured the entire number of blocks.

Bridges and Sage, in combination with Sheldon & Slosson, capitalists and proprietors of marble quarries at Rutland, Vt., now perform the work, the material and capital, as I understand, being furnished by Sheldon & Slosson.

I submit a letter from D. C. Sage to me, dated Cromwell, Conn., November 21, 1873, together with a memorandum slip, written while he was here a few days before that date, serving to verify the contents of this statement.

I will now, with the permission of the committee, read the letters to which I have referred, in the order of their reference. The first is the letter of Captain McGonnigle, A. Q. M.:

Exhibit A.

“WAR DEPARTMENT, QUARTERMASTER-GENERAL’S OFFICE,
“Washington, October 27, 1873.

“SIR: You are respectfully requested to inform this office whether you will enter into contract, with satisfactory sureties, to furnish slabs, under your bid for head-stones, for the following cemeteries, viz:

Andersonville, Ga.....	12,769	about.
New Berne, N. C.....	2,031	“
Hampton, Va.....	4,364	“
Yorktown, Va.....	722	“
City Point, Va.....	3,490	“
Poplar Grove, Va.....	2,171	“
New Albany, Ind.....	2,090	“
Cave Hill, Ky.....	3,226	“
Lebanon, Ky.....	564	“
Logan’s X-Roads, Ky.....	327	“
Mound City, Ill.....	2,450	“
Camp Butler, Ill.....	533	“
Keokuk, Iowa.....	569	“
Rock Island, Ill.....	280	“
	35,586	\$3.39 each.

“By order of the Acting Quartermaster-General.

“A. J. MCGONNIGLE,
“Captain and A. Q. M., U. S. A.

“Mr. C. S. JONES,
“Washington, D. C.”

Exhibit B.

“WASHINGTON, D. C., October 31, 1873.

“SIR: Yours of the 27th instant, in reference to slabs in certain national cemeteries therein named, is received, and I beg leave to reply as follows: I will enter into contract, with satisfactory securities, to furnish slabs for all the national cemeteries at the price stated in my bid of September 5, 1873, viz, three dollars and thirty-nine cents each. Should, however, consideration of public policy in the judgment of the Hon. Secretary of War require a more minute division of the work, then I agree to furnish the slabs for the cemeteries mentioned in your communication, with that at Vicksburgh added, provided I am also allowed to furnish the blocks for ‘unknown’ in the same cemeteries at the same price; a proposition so equitable, fair, and just, that it must commend itself to the favorable consideration of the Department. Or, I will furnish the slabs mentioned in your schedule at the rate of five dollars each, being the amount of the bid of Mr. D. C. Sage, of Connecticut, for the same work.

“In conclusion, and with great deference, I beg to suggest that I am the lowest and best bidder, all things considered, for white marble head-stones in all the national cemeteries, according to the spirit and intent of the law of Congress on the subject, believing as I do that my bid of September 5, 1873, combines in the greatest measure the elements of ‘durability, decency, and cheapness.’”

“I have the honor to be, with great respect, yours, &c.,

“C. S. JONES.

“Capt. A. J. MCGONNIGLE, U. S. A.,
“Quartermaster-General’s Office, War Department.”

Exhibit C.

"WASHINGTON, November 4, 1873.

"SIR: On the 31st ultimo I addressed an official communication to Capt. A. J. McGonnigle, U. S. A., Quartermaster-General's Office, in reply to one from that officer relative to slabs in various national cemeteries therein named, and which has doubtless been brought to your attention by this time. I now beg leave to withdraw the same, and hereby signify my acceptance of the proposition made by the officer alluded to, agreeing to supply all the cemeteries named by him with head-stones or slabs at the price stated, \$3.39 each.

"Very respectfully, &c.,

"C. S. JONES.

"Hon. W. W. BELKNAP,
"Secretary of War."

Before reading the letter referred to from Sage, of November 21, 1873, I will first read a slip I received from him on the 13th of November, while he was stopping at the Saint James Hotel, in this city. It is as follows:

"DEAR SIR: Colonel Mack called on me this evening, urging upon me the necessity of executing the contract at once, before Congress convenes. He said, on leaving, should any of the favored bidders fail to execute the same it would at once be offered to some other bidders. I think he intended this as confidential advice, but I offer it to you and Mr. Morgan, as I consider myself interested. I think I will start for home this eve to prepare for the expected contract. Please say nothing in regard to this matter. I think this is what Walsh is waiting for, so do not be behindhand. Give Mr. Morgan the hint.

"Yours,

"D. C. SAGE.

"CHARLES S. JONES, Esq."

"CROMWELL, CONN., November 21, 1873.

"DEAR SIR: Yours of the 16th and 19th is at hand. It was my intention as soon as the contract and bond arrived here, to execute the same and take them myself to Washington; I should then answer your letters in person. I do not at present like to write or talk about that matter. I know I shall be questioned when there. We cannot be too careful what we do. I hear from there often. Certain parties are there yet. The last clause in the award was placed there to please them. We have done well so far, yet the slightest mistake would spoil the whole; so let us guard against it in every way. I think we understand each other. You have said you would do so and so—I believe you will. I know I can depend upon it and am satisfied, so don't let us go so fast as to prejudice either of our chances in the Department. Do not place much dependence on what your friends say as to your getting the whole job, if you choose; I know better. I cannot explain by letter, but any more in that way would surely work against you, and be what others would like; they no doubt mean well, but are misinformed. You know by experience that information received through me has been reliable, so take my advice at this time and let well enough alone. Mr. Morgan and myself clearly understand each other in this matter; in fact, I cannot but think we all do, after the conversation we have had, so let us still have patience and confidence, and when the whole matter is completed, we will then be free to act in the matter as we best can for our mutual interest, which must be united under one head. Your letters are considered strictly private and confidential; I must ask the same in reference to my own, excepting Mr. Morgan. The contract and bond I am expecting every mail. I suppose you have yours ere this. Should you have anything of importance, please write me.

"Remember me to Mr. Morgan, and tell him you have heard from me.

Very truly, yours,

"D. C. SAGE.

"CHARLES S. JONES, Esq.,
"Washington."

To this letter was appended the following note:

"Without some change in the money-market it would be impossible for us to make the full payment at once. It will be necessary to make a division in two or more payments. Please consider this matter."

In addition now to the statement which I have already made, I would like to add that the subdivision of the head-stone work, as first indicated in the letter of the Acting Quartermaster-General to me, dated October 27, 1873, was in violation of my legal rights as the lowest bidder for the entire work, seems to be unquestionable. The division referred to as allowable in the law authorizing the work, was clearly intended

to be made prior to the public advertisement for proposals under it, but not after the proposals had all been received and opened. No law ever contemplated a breach of equity on its face; and for an executive officer of the Government to possess himself of various bids for a great public work as a whole, and then apply the prices thus received to partial subdivisions of the same subsequently made according to his own personal predilections, is so utterly at variance with right and equity, as well as with every principle of law, that the proposition needs only to be stated to be unqualifiedly condemned.

By Mr. TERRY:

Q. Would there have been any difficulty in the way of your executing the entire contract, had it been awarded to you?—A. No, sir; because I should have been sustained by quarrymen, in the undertaking, with whom I had correspondence, and who would have protected my bids.

Q. Your bids were made with a view to securing the entire contract?—A. Yes, sir; but the work was divided into four parts among as many bidders—the slabs among three bidders, myself being one of the number; while the whole number of blocks, the really profitable part of the work, was given to another party.

Q. Could the work have been executed by one contractor as expeditiously as it has been done by subdividing it?—A. Yes, sir; an active, energetic man could have done it without difficulty.

Q. Did you have ample means to execute the contract?—A. No, sir; but I had character and credit.

Q. Could you have commanded ample means to perform the work?—A. The contract itself would have given any respectable man credit. The ease with which I procured the security required (\$35,000) is some proof of that fact. I could have secured ample means had I obtained the contract. That very firm, Sheldon & Slosson, who furnish most of the material, and capital too, would have helped me had it been awarded to me, as my correspondence with them will prove.

By the CHAIRMAN:

Q. The Department did not question your pecuniary ability to perform the work?—A. No, sir; the fact of having given me one-third of it would negative any such idea as that. That question was not raised at all.

Q. To whom did you assign your interest in the contract?—A. To Thomas P. Morgan, who was also a bidder, and to whom a portion of the work had been awarded.

Q. Did you get any consideration for your assignment?—A. Yes, sir. I disposed of it as I would have disposed of any other property in which I had an interest. It was as much my property as a house or lot for which I held a perfect title. I had given the requisite bond, and the award placed me in full possession of it; and when I found it proving unprofitable and undesirable, Mr. Morgan, who was my friend, proposed to take it off my hands, as I was going to throw it up in disgust. He proposed to give me one-fourth of the profits realized from it, and he paid me that.

Q. When you entered into the contract were you satisfied that, if the whole work had been awarded to you, you would have derived fair compensation from it?—A. Yes, sir. I would have made \$176,000 on it, and have the figures to show it.

Q. Had you experience in contracting before that for such work?—A. I cannot say that I had. I had business experience, however; and had been paymaster in the Army for six years. The contract was open to any one who chose to take it. There was no restriction in favor of marblemen or anybody else. I happened to see it, and believing it would be profitable, determined to devote my attention to it.

By Mr. GLOVER:

Q. What did you realize on the transfer of your part of the contract to Mr. Morgan?—A. two thousand one hundred and twenty-five dollars.

Q. What did Morgan realize?—A. Thirteen thousand dollars. He received one-half of that; but my arrangement contemplated one-fourth only of this profit on my half of the work, (\$6,500.) My portion was really only \$1,625, but Mr. Morgan added \$500 as a matter of courtesy and equity.

Q. To whom did Morgan dispose of the interest he had acquired?—A. To Mr. Bridges, but Sheldon & Slosson paid the money. Their notes, in fact, were payable to Morgan's order.

Q. To whom was the award for the blocks made?—A. They were all given to Sage.

Q. Have you any reason to believe that they were awarded to him simply because he was the lowest bidder for that particular part of the work?—A. I have not, sir.

Q. Do you know what relations existed between Sage and the Secretary of War?—A. Only so far as developed in my statement. He seemed to be a kind of agent or intermediary in these things.

Q. Do you know what Bridges gave Sage—what bonus?—A. I heard \$20,000. I don't know that.

Q. Have you any reason to believe that the Secretary of War was interested at all in the subdivision or letting of this work?—A. No, sir; I don't think I have.

By Mr. MACDOUGALL:

Q. Do you know Samuel G. Bridges?—A. I have only known him since the commencement of this head-stone contract.

Q. Did you ever have any conversation with him before the letting?—A. No, sir; I never saw him before the letting.

By the CHAIRMAN:

Q. Do you know to whom the quarry belongs from which the marble was taken to make these stones?—A. I understand to Sheldon & Slosson, of Rutland, Vt.

Q. Do you know who their partners are?—A. No, sir; I understand there are six or eight persons interested, but these two are before the public as the known men of the firm.

Q. Do you know anything about the inspection of the stones that were furnished?—A. Nothing, sir. Mr. Morgan had some difficulty with his. They rejected one cemetery entirely, either at Barrancas, Fla., or Chalmette, La.; but I understood that the same cemetery was passed after it was assigned to Bridges.

By Mr. TERRY:

Q. How did you intend putting on the slabs the names, &c., of the soldiers—by hand-cutting, or by the use of the sand-blast?—A. I rather think I should have employed the sand-blast process of cutting.

Q. Did you know at the time of your bid that you would have been able to get the use of that invention?—A. I think there would have been no trouble about getting it. The owners of such inventions are generally willing to grant the right to use them for proper considerations.

Q. Were your calculations of profits based upon the idea of executing the work by hand or by the sand-blast process?—A. By hand, sir. There was, I think, originally some objection to sand-blast cutting, by reason of the fact that it is somewhat irregular in its operations—cutting deeper, for instance, in some places—and that the inscriptions would not be altogether legible in some cases. These objections, however, could probably be overcome by care.

By Mr. GLOVER:

Q. You considered your assignment of the work as unreasonably selected, being very much scattered over the country?—A. Yes, sir; and very disadvantageously selected.

Q. Would that leave the other cemeteries, to be assigned to the other bidders, equally scattered?—A. I think it would, sir. They seemed to be selected pell-mell, as it were, not grouped together, as they might have been.

Q. Do you know if there was any question as to the regularity and acceptability of Bridges's bid?—A. Nothing, sir, except that it was in round numbers. I entered the sums in my bids for each item of the work separately. There was a note at the bottom of the specifications requesting the bidder to strike off from them those places they did not intend to bid for; and knowing the particularity in the Quartermaster-General's Office about such matters, I was careful to put mine in proper form as to detail.

Q. Could that work have been executed within the twelve months originally allowed by the law?—A. It would have been utterly impossible, sir.

Q. The extension, then, was not an unreasonable thing?—A. No, sir; it was necessary.

Q. Are you able to state whether there were any modifications made in the specifications after the work was assigned to Mr. Bridges?—A. Yes, sir; there were several important modifications made after the work was divided. I received notice of two myself, which I have here with me; and after that there were several. There was one very considerable modification in regard to the mode of paying for the work. In fact, I hesitated a great while myself before bidding, as such a large amount of capital was required to carry on the work before any payments could be received on account of it. By the original specifications, it was provided that all the work in a cemetery must be completed before any money could be drawn on it. The modification provided for allowing the contractor to draw 60 per cent. when he had delivered \$5,000 worth of material in the cemetery. That was a very material element in favor of the contractor.

Q. Did the modifications made after the contracts were awarded diminish the cost of the work?—A. Yes, sir; all the modifications had that tendency.

WASHINGTON, *March 17, 1876.*

SAMUEL G. BRIDGES recalled.

By Mr. TERRY :

Question. Will you state again at what time your bid for these head and foot stones was handed in ? How long was it before the bids were opened ?—Answer. About fifteen minutes. Of course, I could not state the exact time to a minute and a half ; but it was as near fifteen minutes before the bids were opened as I could possibly judge. When I say it was fifteen minutes, of course I did not time it to a half minute.

Q. Was there any announcement at any time that bids must be handed in within a given time ?

The WITNESS. By the person in charge, do you mean ?

Mr. TERRY. Anybody ; was there any announcement that the bids must be handed in by a given time ?—A. There was an hour stated in the advertisement. Eleven o'clock was the hour stated, I think.

Q. Was there any announcement different from that ?—A. Never, to my knowledge or recollection.

Q. Did you hand in your bid before or after 11 o'clock ?—A. As near as I can state, it was about fifteen minutes before 11 o'clock. I never left the room after I deposited my bid until the bids were all opened.

Q. Was your bid handed in in person, or by some other person ?—A. In person.

Q. To whom did you hand it ?—A. I was not acquainted with any officer there, and could not give his name ; but I handed it to a person at the desk or table who seemed to be in charge, and who stated that he was the proper person.

Q. Were any of the bids handed in after yours were handed in ?—A. None that I remember, except a dispatch, I think, came from somebody out West or Southwest, whose name I do not remember. I paid no particular attention to it. The dispatch referred, if I remember right, to somebody's bid, and the person opening bids, whoever it was, stated that that dispatch would go in with the bids, and be considered for what it was worth, or something of the kind. As I stated before, when I came up stairs and went in, I deposited my samples with General Meigs in person, and he told me to lay them on a shelf directly behind him, where some of the samples were deposited. I went in the next room, and after a few moments I deposited my bids, and staid there until the bids were all opened.

By Mr. GLOVER :

Q. Were the samples of all the bidders marked with their names, so as to distinguish the bids ?—A. I could not state ; mine were marked. My name was on the corner on a little label, I think. I had two or three samples marked respectively 1, 2, and 3, I think, referring to the quality of the marble.

Q. There were blanks, I believe, partly in print and the balance to be filled up by the bidders ; did you see such blanks ?—A. I did.

Q. And was that the form of your bid ?—A. That was the form of my bid.

Q. You put in no other ?—A. No other except a written letter, which I wrote, either on that paper or on a proper sheet of paper, that I would do all the work for \$990,000.

Q. When did you put that in ?—A. That was put in in the same envelope with the other bid. They were put in the same inclosure at the same time. I am not positive whether there was a space at the bottom of the bid, and I wrote the other proposition on the bottom of the bid, or whether I put in a different sheet. If I had reference to my papers at home, I could tell.

By Mr. STRAIT :

Q. Do you recollect what kind of an envelope contained your bid ?—A. I do not recollect the color ; I paid but little attention to anything of that kind, and could not state.

Q. It was simply sealed up ; it was not put up with wax at all ?—A. It was just simply sealed ; I never did seal my bids with wax.

Q. You say you handed in the samples at that time, or before ?—A. I handed them in to General Meigs, and he told me to place them on a shelf directly behind him, and I deposited all my samples as directed.

Q. Do you recollect whether the samples generally were handed in with most of the bids ?—A. I saw no other sample brought in while I was there.

Q. You do not recollect whether there were other samples or not ?—A. Yes, sir ; there were plenty of samples, but I saw none brought there while I was there.

By Mr. TERRY :

Q. I observe among the specifications in the contract is the following :

"The portion below the ground to be rough-dressed, and at least one-half inch wider and thicker than the part above ground. The bottom to be straight, and of uniform thickness, and the corners square."

Were those the specifications under which you contracted ?

A. My bid was based upon the notes at the bottom of the specifications :

"These slabs may be of uniform width and thickness throughout, (viz, ten inches wide and four inches thick,) at the option of the bidder."

It is at the option of the bidder whether they should be larger below ground, or uniform size.

Q. Did you understand that, instead of having it one-half inch wider and thicker below the ground, you had the privilege of having it uniform clear through?—A. I did. By referring to the notes at the bottom of the page, I contemplated sawing them to size, the same width and thickness through.

Q. Did you execute the work in that way?—A. All the work has been executed in that manner.

Q. Was that foot-note to the specifications at the time you contracted?—A. It was; that is the printed form.

Q. Did not that make a very material difference in the cost of the work?—A. It certainly did; if they had to be a half-inch larger at the base than at the top they would have to be cut by hand, probably, instead of being sawed to size.

Q. What could have been the object of specifying that the slabs should be four inches thick, and ten inches wide, and then a half-inch thicker and wider below the ground, and then permit the contract to be executed differently?—A. The notes referred to on the bottom of the page were there when the specifications were received.

Q. What was the object of that change?—A. If they were granite, granite is blasted instead of being sawed out. It is too expensive to saw it out, and the slabs are blasted as near the proper thickness as they can be, and then necessarily have to be cut by hand to the proper depth; that is why that note is placed there, I presume. The marble, as everybody knows, is sawed to size. I would state that, in my judgment, one has reference to granite, and the other to marble.

Q. What would be the difference in cost of these head and foot stones, agreeably to the specification four inches thick and ten inches wide above ground, with a half-inch added below—what would be the difference between that cost and the cost of stones of uniform thickness and width?—A. Without consultation with granite stone-cutters I would not be able to answer that question.

Q. You can give us some approximation, can you not—say so many cents to the slab?

The WITNESS. Do you have reference to marble?

Mr. TERRY. Yes, sir.

By Mr. GLOVER:

Q. They all had to be that way, did they not?—A. The specification reading as it does, I am quite positive that when they say "white-marble or gray-granite slab," they know that granite is blasted, and they know marble is sawed to size.

Q. That would supersede the necessity of having the stone made in this form to go in the ground?—A. I judge probably the difference in expense would be in the vicinity of 50 cents a stone.

By Mr. TERRY:

Q. At least 50 cents a stone?—A. I should think so.

By Mr. GLOVER:

Q. Would it not be more?—A. It might be. I said I could not state without consultation with quarrymen and cutters what it would be. It would be necessary to get their views about it.

By Mr. TERRY:

Q. According to the terms of your contract, was it in the power of the Government—was that the interpretation given it—to require you to make these marble slabs a half-inch thicker and broader below the ground?—A. The Government could not according to the specifications. The notes plainly say, "at the option of the bidder."

Q. Is the copy you produced here an original specification?—A. That is one of the originals.

Q. Upon which you contracted?—A. Upon which I contracted, and upon which I bid, and which all contractors had, I suppose; I received three or four copies at the time.

By Mr. STRAIT:

Q. You bid upon the same basis?—A. Yes, sir; upon that basis.

Q. You said that you might leave it a half-inch thicker and broader, because it was taken out of granite. I would like to have you explain that.—A. We blast granite out as near the size as possible, and then it is dressed down by hand to the size required; but the marble is sawed to size.

Q. You would have the privilege of leaving it a half-inch thicker, if you chose?—A. I would have had the privilege to leave the marble a half-inch thicker, if I had pleased.

Q. You had the right to make them of uniform size, under the specifications?—A. Yes, sir; under the specifications.

By the CHAIRMAN:

Q. Was your bid on a piece of writing-paper, or was it on paper prepared by the Department for bids?—A. My bid for the cemeteries, separately, was on one of the blanks furnished by the Department. As I have stated before in my testimony, the one for \$900,000 was made on a sheet of foolscap paper, to furnish all the work for \$900,000; or I wrote it on the bottom of the bid, there being plenty of room at the bottom. I am not positive which course I took; it was either the one or the other; but if I wrote it on a separate sheet of paper, it was inclosed in the same envelope at the same time, and, I think, attached.

Q. Had any of the bids been opened when you handed yours in?—A. No, sir.

Q. To whom was your bid handed?—A. Not being acquainted with any of the gentlemen, I could not state the person's name to whom I handed it. He was at his desk, and took my bid and laid it with the others.

Q. Who superintended the opening of the bids?—A. I could not state, because I was not acquainted with any of the officers.

Q. Are you acquainted with Captain McGonnigle?—A. I made his acquaintance after I received the award; I was not acquainted at the time I bid.

Q. Since you have made his acquaintance, do you know that he was the one who opened the bids?—A. I could not state.

Q. Was there any objection made by any party, while the bids were going on, to the receipt of a bid after the bidding had commenced?—A. As I stated before, this afternoon, my recollection is that a telegram came to General Meigs, or the proper officer, and was opened and read. Somebody objected to it. The remark was made that it would be put with the bids and considered for what it was worth, or some such remark as that.

By Mr. TERRY:

Q. To whose biddid that refer?—A. I do not remember; to some person in the Southwest, I think.

Q. It had no reference to your bid?—A. Not at all.

Q. Was General Meigs in the room when the opening of the bids began?—A. My impression is that he was.

Q. And a short time after he turned it over to somebody else, and the opening of the bids went on?—A. That is my impression, but am not positive.

Q. You knew General Meigs personally, did you not?—A. I did not when I handed my samples. I said I handed them to General Meigs; at that time I did not know him, but I have since learned that it was him. He sat at his table, but I did not know him at the time.

By the CHAIRMAN:

Q. Is it not a fact that General Meigs was not in the room when the opening of the bids began; that Captain McGonnigle was there; and that upon a protest being made by the Walsh Brothers, General Meigs came in and took charge of the opening of the bids?—A. I have no recollection of anything of that kind. I think if anything unusual or unpleasant had occurred I would have remembered it. I am quite positive I could not have forgotten such an occurrence.

Q. Were your specimens of marble presented before your bid was put in?—A. They were.

Q. How long previous?—A. Not far from five minutes, perhaps. After depositing my samples I went in where the bids were to be deposited, and staid there probably five minutes or less before I deposited my bid, but cannot state positive to a minute.

Q. What marble was that?—A. It was from the quarry where I am now getting nearly all my stone.

Q. How many specimens of marble did you present?—A. Two or three small samples. I know it was as many as two, but I would not state positively that it was three.

Q. Have you had any intercourse with any officer of the Government who had charge of these matters, since you have been here giving your testimony?—A. I have had occasion to go in the Department on my regular business. I have been watching this work in Tennessee, and I wanted to know when the work at Mound City would be done, and to know when it was necessary for me to be at Chattanooga to meet the engineer. I have been in two or three times to know that, and to see how the work was progressing, from their knowledge of it.

By Mr. STRAIT:

Q. I see by this blank bid that you are required to give guarantees. Did you furnish the guarantees required at the time you put in the bid?—A. I did. There were two gentlemen on my bond.

By Mr. GLOVER:

Q. There were places in the blank form for the bondsmen to sign, and they were filled up?—A. Yes, sir; that was properly filled up and executed.

Q. Did you, in the printed blanks that you filled up, include all the cemeteries that were mentioned in the schedule?

The WITNESS. In my formal bid for \$900,000?

Mr. GLOVER. You state that the Quartermaster-General sent out a printed blank in which there was room left to describe the marble you were to furnish, and a place for the bondsmen, the terms, &c.

The WITNESS. I put in one of those printed blanks.

Mr. GLOVER. In that formal bid did you bid for all the national cemeteries that were to be furnished with head-stones?—A. With very few exceptions. Reference to my papers will show. There were, perhaps, thirteen or fourteen exceptions, that I did not happen to get positive information about in regard to the freight, &c., and on those I did not bid.

Q. When and where did you complete that formal bid?—A. It was nearly completed, I think, at home, before I left. I could not put in the prices for marble, because I did not have the figures until I went by Vermont. I did not put in the figures in the bid, but I filled in the figures after I had seen the marble-men in Vermont. I completed it here at the Ebbitt House. I arrived between 11 and 12 o'clock at night, and the bids were to be opened the next day at 11 o'clock.

Q. You have stated that you did not bid on all, because you were not posted as to transportation, &c. What was said or done that caused you to make a round bid on another piece of paper at \$900,000 for the whole work?—A. For the reason that I footed up the cost of those that I had positive information about, and I approximated the others as nearly as I thought was right, and arrived at their cost, and thus found out what all the work would cost me; and on that basis I bid for the whole work.

Q. Could you not have perfected your formal printed bid without introducing a separate paper?—A. Not very well, because there were no two cemeteries at which I could have delivered the stones at the same price. There would be hardly two cemeteries where the freight would be the same.

Q. What induced you to put in this bid different from the one you had put in?—A. On a large amount of work like that, I knew very well I could do all the work for a less price than I could a portion of it, having all the facts before me. There was a blank to bid on, and I filled in those figures, and I knew I could do the work for \$900,000 if I could get it.

Q. That being the case, could you not have gone on and filled up the bid without information on those few cemeteries of which you say you did not have knowledge as to the cost of transportation?—A. I could have done so. I think I did leave out Fayetteville, Ark., but I am not positive about the cemeteries that I left out. I did not refer to it before I came here. I have copies of my bids at home, and could tell all about it if I had the papers. As I stated before, I could go home and get those papers; I do not know that I could send very well. But the reason is obvious why I would bid for a total amount for the whole—if I had all the work I could make better rates of freight.

Q. The trouble I see is that you did not do that in your formal bidding?—A. There was no place for such a bid as that on the formal bid.

Q. Then why did you not omit the formal bid and put in the other, and say, "I will do all the cemeteries for \$900,000?"—A. In bidding it is difficult to tell which is going to be received. A few cemeteries might be awarded to me on the blank, and if I did not bid on the proper form they might throw my bid out for that cause. It takes a very little technicality to cause them to throw out a bid, if they see fit. I have bid several times, and understand that. I think I received a contract at Leavenworth on the same basis. I bid for every post to deliver grain, and bid to deliver the whole for so much money, and I got it. It is a customary thing for some to bid on the easiest posts, and let the others go. In that case the Government has to pay an exorbitant rate for the most remote posts, because some persons bid very high on those, thinking that others do not want them. I have known that to be the case.

Q. Did you hear any reason assigned by Mr. Belknap why the Walsh Brothers did not receive that contract, their bid being lower than any other?—A. I did not understand that their bid was lower than mine; there were three bids under them for white marble.

By Mr. STRAIT:

Q. If you had filled out your bid and included the balance of the cemeteries, might not your bids, at the rates you probably put them at, have overrun the \$900,000?—A. Yes, sir; if I had done that I should not have made the figures in that way.

Ibid on each single cemetery that I thought best, and if I had been awarded one contract or one cemetery out of the seventy-three, I could have delivered the stone and not lost money. But if I bid a low price on all the cemeteries, calculating that the average would favor me, I would have been a loser.

Q. You think you left out thirteen or fourteen cemeteries?—A. That is my impression.

Q. If you had included those and put on the price, you would naturally have made your bid overrun the \$900,000?—A. I am satisfied it would.

Q. So that you think your round bid of \$900,000 was to the advantage of the Government?—A. Yes, sir; I have bid on different contracts in just that way, and have received contracts in that way because others have not so bid. They did not do it, at all events. It was certainly to the advantage of the Government.

By Mr. GLOVER:

Q. I ask you what, if anything, you heard as to the reason why Walsh Brothers did not receive the contract?—A. I heard that they were working very strongly for the contract, but it was rejected, or not considered as between my figures and those of the Brandon Marble Company, on account of its being for Italian marble, and they did not propose to put Italian marble over American soldiers.

By Mr. TERRY:

Q. Was there anything said in the specifications or the advertisement about requiring United States marble?—A. I did not see anything, but the law plainly gives domestic production the preference.

By Mr. GLOVER:

Q. Let me ask you what you were paying per day for your best skilled workmen, stone-dressers, &c.?—A. My best skilled stone-cutters I pay \$4 a day at the cemeteries. There is no necessity for them at the quarries; the work is done there by machinery. I find it necessary to employ the best workmen, as it is the cheapest in the end. In some instances I have paid more than that in the extreme South. They get up combinations when they find I am compelled to have certain work done.

Q. How much more have you paid?—A. In some instances \$5.50 for, perhaps, two or three days' labor.

Q. What would it cost you per ton to furnish your material from the quarry to Cypress Hills cemetery?—A. The quarry is at West Rutland, and from there to New York the transportation is about \$3 per ton.

Q. Where is the next nearest cemetery to your quarry?—A. Beverly, N. J., I think, is the next nearest.

Q. What does it cost to Beverly?—A. One of my agents superintended that work; I do not remember just what the freight is from New York to the cemetery.

Q. What is the cost of transportation per ton from the quarry to Fort Gibson, Indian Territory, one of your most remote cemeteries?—A. I think the freight is about \$13.35 per ton; that is my recollection.

Q. Is that water or railroad transportation?—A. Water to Saint Louis, and rail from there to Fort Gibson station. Fayetteville, Ark., is the most difficult of access. There is a seventy-five miles haul over the Boston Mountain from the terminus of the railroad at Ozark, or from Fort Smith, on the Arkansas River. I know pretty nearly how much that western work has cost, as it is nearly all done.

Q. Can you say what the transportation is now from the quarry to New Orleans?—A. Five dollars and eighty-five cents, or in that vicinity, per ton.

Q. That is by water?—A. By rail to Troy, and thence by water.

By Mr. STRAIT:

Q. Were there any other round bids put in besides yours and the Walsh Brothers'?—A. I think there were quite a number of round bids. My memorandum-book is at home, and I cannot state positively, but that is my recollection.

By Mr. GLOVER:

Q. Did the Walsh Brothers put in a round bid?—A. That is my impression, but I would not say so positively.

By Mr. STRAIT:

Q. Were there any other round bids lower than Walsh Brothers', besides yours?—A. I cannot state to you how Jones's and Morgan's figures did read; but the result proved that Jones and Morgan were both lower than myself for this Vermont white marble.

By Mr. GLOVER:

Q. Does that include the customs dues?—A. No customs dues are required on Vermont marble. I do not think it would be right to consider that, unless every one would have the benefit of it; that is a dodge that not every one would think of but dealers in foreign marble. Walsh Brothers are not dealers in Italian marble, but are stevedores only.

By Mr. STRAIT:

Q. I will ask you whether there was any particular change, when you came to enter into the contract, from the bids—whether any alterations were made particularly. Did you enter into the contract substantially as you bid?—A. I entered into the contract substantially as the bid was made. All the modifications that were made were for the benefit of the work.

By Mr. GLOVER:

Q. You say everything that was done was for the benefit of the work; do you not think that sloping the part that goes in the ground is an improvement of the work?—

A. I do not think it is any improvement to the work; the law did not require it, and the specifications did not require it. As I stated before, the stone being larger under ground, has reference to a granite slab; if the bidder wanted to bid on that instead of a marble slab he had the opportunity. There were bids put in for granite slabs and blocks, as well as marble blocks and slabs.

WASHINGTON, D. C., *March 17, 1876.*

MAURICE J. WALSH sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. I reside in New York City. I was one of the firm of Walsh Bros. up to November 11, 1875. Our firm was engaged in the storage business, loading and unloading ships, and as general contractors. I am now doing the business on my own account; any claim Walsh Bros. may have in the head-stone contract they assign to me.

Q. Were you one of the bidders for the contract to supply soldiers' graves with head-stones?—A. I was.

Q. Can you state the amount of your bid?—A. Our bid for the first quality of marble in the world was, for the entire contract, \$994,146.54; for the second best quality of marble in the world, \$960,000; and for the third quality of best marble in the world, \$923,271.15. Out of this about \$200,000 was to come back to the Government in the shape of duty on the marble, because we were to supply Italian marble. There were about eighty bids sent in, and eight out of the eighty were entertained, and sent by General Meigs to the Secretary of War. My three were among the eight, but mine were disregarded, and the contract was given to the other five.

Q. Where were the lettings conducted?—A. The bids were opened in the Quartermaster-General's Office, and those of the bids that were entertained were sent to the Secretary of War. The Quartermaster-General recommended my specimens of marble as being the best inside of the appropriation, and I was given to understand that he sent a letter to the Secretary of War to that effect. The Secretary of War told me that General Meigs recommended my stone as being the best. Some time afterward I went to see General Belknap, and asked him how it was that I did not get the contract, and whether he found any fault with my ability to perform it, or my security. He said no. I told him that if he did, I would furnish him with real-estate security to the full amount of the contract. He said that that was not the trouble, but that the President had told him that he should not have foreign stone over the heads of American soldiers. I asked the Secretary whether the act of Congress barred foreign stones, and he said he did not care anything about the act of Congress; he would hold himself responsible.

Q. What was the manner of the letting, and how were the bids made?—A. I had three separate and distinct bids for the three qualities of marble, and I put sealing-wax on the envelopes so that they would hold, and sealed them up so that the bids could not be tampered with. I sat right alongside of General Meigs when he was opening the bids. All the bids were to be in at 11 o'clock, and at 11.13 General Meigs left the room. Then this bid of Samuel J. Bridges was dropped into the basket. They pulled my three bids out, although there were eighty bids in all in the basket, and read my three bids one after the other.

By Mr. MACDOUGALL:

Q. Who did this?—A. Captain McGonnigle. I objected to it at the time, and went in and informed General Meigs of it, and he could not believe it.

Q. Who brought in Bridges's bid?—A. I cannot say.

Q. How do you know it was his bid?—A. Because I watched it.

Q. Was there anything on the outside of it to indicate whose bid it was?—A. Yes; it was in a blue envelope.

Q. Was that the only blue envelope that there was in the basket?—A. It was the only envelope of that color that I saw. I watched very closely.

Q. How many bids had been opened before this bid was handed in?—A. Only my three, to the best of my recollection.

Q. Were your three opened before this one was handed in?—A. It was not handed in; it was dropped into the basket.

By the CHAIRMAN:

Q. Go on with the letting part of the business after the point where you objected to General Meigs.—A. When I saw this bid dropped into the basket, I went out to see

General Meigs and told him of it, and he would not believe it. The bid was read before I went out, and that is what made me go out. I got very mad at the time, and went right out and accused Captain McGonnigle of it. Then Meigs came into the room and opened all the rest of the bids himself.

Q. Go on and tell anything else that occurred at that letting.—A. I believe I have stated, about as it occurred, the whole of the letting. It seemed to me that all the bidders were afraid of my samples, because my samples beat all the rest.

Q. Did you examine the samples which were there before the biddings were opened?—A. Yes.

Q. Had Mr. Bridges any sample there?—A. No, sir; I could not find any.

Q. What was the shape of the paper on which your bid was written?—A. It was on a printed form, as required by the law.

Q. What was the shape of Mr. Bridges's bid?—A. So far as I recollect, it was a sheet of foolscap paper.

Q. Was it on a printed form?—A. No, sir.

Q. Did you have any conversation with Mr. Belknap after the letting?—A. Yes, sir.

Q. State what it was.—A. I went to see Mr. Belknap to inquire why I did not get the contract, as my bid was about \$200,000 lower than any other, as I offered to furnish the best stone in the world. I asked him why I did not get the contract. He said, if I come for fight, go ahead; he was ready. He told me that it was a matter of the President's; that the President would not have foreign stone over the heads of American soldiers. I said, "Mr. Secretary, why did not the act of Congress provide for that; it does not bar foreign stone?" He said that he did not care what the act of Congress called for; that he was responsible, and that he held himself responsible.

Q. Is that the only conversation you had with the Secretary?—A. Yes.

Q. Did you have any conversation with Captain McGonnigle?—A. I accused him there at the letting. A day or two before the bids were let, I went to him for some information in regard to putting my samples in the Quartermaster-General's Office.

Q. You say that you accused him at the time of the lettings; of what did you accuse him?—A. Of reading this bid. I wanted it barred out, as it was thirteen minutes behind time.

Q. You mean the bid that was put in after the opening had commenced?—A. Yes.

Q. Did you have any conversation with General Meigs after the bids were opened?—A. Yes. I told General Meigs about this bid being dropped in the basket. This was during the opening of the bids, and then I had a conversation with him a day or two afterward. He told me that he wished that the Secretary of War would award me the contract, as mine was the only fit stone to put over the soldiers' graves, and stone that would last forever, and that was free from all oxidation. He did not see how I could furnish it for the money.

Q. Was this a part of the specifications required in the contract at the time of the bidding, that the portion below ground be rough-dressed, and at least an inch or an inch and a half wider and thicker than the part above ground, the bottoms to be fitted and of uniform thickness, and the corners square?—A. Yes, sir; that was embodied in the specification, to the best of my recollection.

Q. Did you make your bids with a view to the stone being in this shape?—A. Yes.

Q. What difference would it have made in the whole amount of your bid if, in place of that, the stone had not been an inch and a half wider and thicker at the bottom?—A. It would have made a difference of about \$75,000 in the whole contract. We take a block of marble ten feet long, four feet wide, and two feet thick. We put something like sixty saws through that block of marble to get the stone of various sizes; and we have got to saw them straight; whereas if we are to have the stone of a different size at the bottom, we have to send each saw through what we call a rip, and break the stone off, so as to get it to right size. That costs in the neighborhood of thirty cents a stone. If the stone is uniform in size at the top and bottom, then the saw goes right through.

Q. Then you say that if the change had been made, making the stone straight in place of being an inch and a half wider and thicker in the bottom, it would have made a difference in your bid?—A. Yes. On the whole, we could have bid \$75,000 less than we did bid.

Q. You mean by that that the work could be done for \$75,000 less than in the manner required in the specifications?—A. That is what I mean.

Q. What amount of money, if any, did you spend in getting information to enable you to make your bids in the manner you made them?—A. It cost me between \$7,000 and \$8,000. My firm would not allow any part of this amount to me, so it is the chief cause of my retiring from the firm of Walsh Bros. and going into business on my own account. I had to send men all through the country to examine every cemetery, and I had to send a man to Italy, and to keep him in Carrara for about two months, making all the necessary arrangements there. The marble mountains are about three miles back of Carrara City, and everything that goes out of the city in the rough they charge a duty on; but anything that is worked there goes out free, because it gives the inhabi-

tants employment. There was my stronghold; I would only have to pay the men there (skilled workmen) from 40 to 50 cents a day, while here I would have to pay them in the neighborhood of \$4 per day. Then, again, I would save in the matter of transportation. About three-fourths of these stones would have to be landed in New Orleans, and distributed from that point. I could send them to New Orleans from Italy at \$5 a ton in the cotton season, and the most of them I could send, as vessels going to New Orleans would take them for ballast in the cotton season; whereas, if I got the stone in Vermont, or in Lee, Mass., or in Canaan, Conn., it would cost me \$5 a ton to get them to New York. Then, there would be the expense of rehandling them here and sending them to New Orleans. Stone is very peculiar freight to handle, and if I send it by the regular lines, the difference between the freight from Italy and the freight from New England would be about \$15 a ton in my favor. The difference, therefore, in the cost of the marble and of the transportation was twice as much as the duty on the marble would amount to, so that I could afford to pay the duty and have a decent margin left.

Q. Did you have any information or opinion from any Government officer as to what bid would secure the work?—A. No, sir.

Q. Did you have any interview with any Government officer, before the lettings, as to what bid would secure the work?—A. No, sir.

Q. Or any one for you?—A. No, sir.

Q. Have you any information as to what induced the throwing out of your bid and the giving the contract to other parties?—A. Only this, (and it is mere hearsay information;) that this man Bridges helped to lobby the appropriation through. The first appropriation in 1867 was about \$250,000, and as that was not enough, they let it lie, and afterward they got the million-dollar appropriation through, and they did not think it could be done even for that. In fact, General Belknap told me that he was surprised to see the number of bids that were inside of the appropriation. He thought that the work would amount to three millions at least, and General Meigs thought it would go to two millions. I understand that Bridges did nothing else but stay here and attend to that appropriation getting through. On the 13th of October Colonel Mack wrote to the Quartermaster-General, as follows: "General: The Secretary of War desires you to request the following-named bidders for head-stones to submit to you samples of the stone which they propose to furnish should a contract be awarded to them: Charles S. Jones, K street, Washington, for white marble; Thos. P. Morgan, K street, Washington; D. C. Sage, Cromwell, Conn.; Dannel W. Axline, Knoxville, Tenn., for granite. By order of the Secretary of War. O. A. Mack. P. S.—Oct. 14. The Secretary of War desires you to telegraph to Swann and Brown, Knoxville Tenn., to send you a specimen of the stone they propose to use for head-stones, provided he awards the contracts to them under their bid." This was addressed to General Meigs about five weeks after the lettings. The lettings were on the 6th of September.

By Mr. GLOVER:]

Q. Did not the specifications require that specimens should be presented before the bids were opened?—A. That is the way I understood it. I should like to have my samples examined by this committee, and tested. I supplied samples for bids 1, 2, and 3

By the CHAIRMAN:

Q. Did you ever have any conversation with General Babcock on the subject of the lettings?—A. No, sir. I should like to add that in my interview with the Secretary of War I asked him where Mr. Sage was going to get his marble? He told me he was going to get it from Cromwell, Conn. I emphatically stated that there was no marble in Cromwell, Conn., and the Secretary almost ordered me out of the room because I contradicted him so flatly on the subject. I told him that I would make an affidavit that there was no marble there, as I knew all the formation of that part of the country, and there was nothing in it but brown stone and isinglass or mica. The nearest marble-ledge is Canaan, Conn., and that runs right on to Lee, Mass. He insisted that this man Sage had a magnificent marble-quarry there.

By Mr. GLOVER:

Q. What did Sage furnish as a specimen?—A. He did not furnish anything; no one of these men that was awarded the contract furnished samples before the opening of the bids.

Q. Did not Jones furnish samples?—A. No, sir; and Jones had no securities on his bid.

Q. Was it required to submit securities on the bids?—A. Certainly.

Q. Did Bridges submit securities?—A. There were none read on his bid, but whether there was any in the bid or not I cannot say.

Q. You say that none of the parties who received the contract complied with the specifications as to securities?—A. Not as I am aware of; nor as to samples. I am not certain whether Bridges's bid contained the securities or not. I know that I got very mad at the time, and was going to have a row right there when his bid was read.

By Mr. MACDOUGALL :

Q. You say that you saw this bid handed in ?—A. I saw it dropped into the basket.

Q. By whom ?—A. By a man.

Q. Do you know who he was ?—A. No ; he was an entire stranger to me. I do not know whether it was Bridges or not. He was a man of about forty years of age, with a smooth face and no whiskers ; a man about 5 feet 10 or 11.

Q. He came along and dropped this bid into the basket ?—A. Yes.

Q. He did not hand it to any officer who was in charge ?—A. He handed it to nobody.

By Mr. GLOVER :

Q. Could you identify that bid as Bridges's bid when it was opened ?—A. Certainly. I took particular care to notice it.

Q. And it was picked up and read immediately ?—A. Yes ; after my three bids were read.

By Mr. MACDOUGALL :

Q. What did Captain McGonnigle say in reply to your remonstrance ?—A. Not a word. He reddened up and went right along with the business, until General Meigs came in and read the rest of the bids.

Q. Did Captain McGonnigle open any other than this one bid ?—A. He opened my three and this one of Bridges.

By Mr. STRAIT :

Q. They were the first that were opened ?—A. Yes.

By Mr. MACDOUGALL :

Q. What did General Meigs say when you reported the fact to him ?—A. He did not believe it.

Q. Were there any indications that there was a collusion in any way between Captain McGonnigle and this man who dropped in the bid ?—A. Captain McGonnigle sat at one end of the room with the basket at his right-hand side, and I sat farther to his right. This fellow came right along and dropped the bid in the basket. McGonnigle did not say a word, but simply read the bid.

Q. How much time elapsed between the time that your bids were read off and the dropping in of this bid ?—A. It was on the reading of my last bid that this bid was dropped in. I looked at my watch and put down the time, 11.13. I put it on this memorandum, [showing it to the committee.]

Q. Did you notice whether this bid was filled out in pencil or in ink ?—A. In ink.

Q. Was the room so situated that a man could have had access to pen and ink after hearing yours read off ?—A. Yes ; there were some desks in the room, and there was a passage-way outside to the Quartermaster-General's room, where there was also some desks.

Q. In what manner was this bid sealed ?—A. It was in a common blue envelope.

Q. How large was it ?—A. It was a log-sized envelope.

Q. In what manner did Captain McGonnigle open the envelopes ?—A. A man near him had scissors with which he cut the ends of the envelopes off and handed them to Captain McGonnigle.

By Mr. STRAIT :

Q. You say that this bid was dropped in when your third one was being read ?—A. Yes, on the reading of my third bid.

Q. So that, if it were made out there, the person could only have heard your first bid read ?—A. It took from four to five minutes to read each bid, and they were reading my third bid when this was dropped into the basket.

Q. Did you immediately remonstrate, the moment that it was dropped in ?—A. Certainly. I spoke to Captain McGonnigle, and said that that bid came in at 11.13. He did not say one word, but he got as mad as the mischief.

Q. Are you sure about the color of the envelope ?—A. Yes, sir ; it was one of these common envelopes. It just looked as if he took it out of his pocket.

By the CHAIRMAN :

Q. Would this stone be as permanent if the inch or inch and a half at the foot were sawed off as they would if they had been in accordance with the original specifications under which the lettings were made ?—A. No, sir ; they would be more permanent and secure if the inch or inch and a half was left on at the bottom.

By Mr. STRAIT :

Q. Was there any other bid for foreign marble opened or read that day ?—A. No, sir. In fact, when my samples went there they were all surprised when they saw the samples, compared with anything else that was there.

By Mr. MACDOUGALL:

Q. Are you a practical workman in marble?—A. I have been handling marble for the last 9 or 10 years.

By Mr. STRAIT:

Q. Were there any other bids opened that day that were lower than Mr. Bridges's?—A. Yes, sir; but the samples of marble, cement, brick, &c., for any bids that were lower did not come up to the requirements of the specification. The specification called for white marble or gray granite.

Q. What were the lowest bids offered?—A. My bids were the lowest bids offered.

By Mr. GLOVER:

Q. Did you consider this third-class foreign marble in your bid better than any of the marble to be furnished from this country?—A. Certainly.

Q. Did you make known to the Secretary of War that if your bids were accepted about \$200,000 would go to the Treasury for duty on the marble, which would reduce your bid to about \$700,000?—A. Certainly. I made it known not only to him but to General Meigs.

By Mr. STRAIT:

Q. Does anything appear on the face of your bid showing that your bid was the lowest?—A. Yes.

Q. What was it?—A. Simply because my bid was for Italian marble.

By Mr. MACDOUGALL:

Q. Is there anything on the face of your bid, other than the fact that you stated Italian marble, to indicate that you were the lowest bidder?—A. Yes, sir.

Q. What is it?—A. According to the plans and specifications furnished to me by the Secretary of War, through General Meigs, I was the only bidder that was sent to the Secretary of War by General Meigs, who put in a bid following the plans and specifications. They called for white marble or gray granite slabs. General Meigs, on seeing my samples, ordered them to be sent up to his own room. The heaviest piece of my samples weighs nearly 175 pounds.

Q. That is no answer to my question. Was there anything on your bid to indicate that you were not going to make those slabs and blocks out of marble already imported into this country, on which duty had been already paid?—A. No, sir. I could not put anything on the printed form but the amount of my bid.

By Mr. STRAIT:

Q. Who were the other lowest bidders that day; lower than you or Mr. Bridges?—A. There were no other bids lower than my bids. Some people put in a bid for cement, stone, &c.; but I am only talking about the bids that were up to the specifications and to the act of Congress.

Q. How many bids were in there that day?—A. To the best of my recollection, about 80.

Q. Are you able to say that none of the rest of the bids were up to the specifications?—A. Yes.

By Mr. MACDOUGALL:

Q. What is the duty on marble?—A. On rough marble 70 cents—50 cents specific and 20 cents ad valorem.

Q. What is it on dressed marble, such as monumental work?—A. The appraisers of the various ports appraise it according to the amount of work on it. These would be considered slabs, and the slabs would average about \$1 apiece, and the 6-inch blocks would average 75 cents. I figure out the whole to average about 80 cents, taking the small with the large, as they were three sizes.

By Mr. STRAIT:

Q. Did you examine any of these bids, except to hear them read that day?—A. I could not examine them. I had no power.

Q. Were not some of the bids on printed forms the same as yours?—A. To the best of my recollection none of the bids that were entertained by the Secretary of War by General Meigs were on printed forms.

WASHINGTON, March 18, 1876.

SAMUEL G. BRIDGES recalled.

By the CHAIRMAN:

Question. Do you know Charles Sheldon?—Answer. Yes, sir; Charles Sheldon.

Q. Is he engaged with you in business?—A. He furnishes the marble for these contracts for slabs and blocks; or the firm of Sheldon & Slosson furnish it.

Q. At what date was this contract let?—A. The awards were under dates December 15 and 31, 1873, I think.

Q. I refer now particularly to the letting; the opening of the bids.—A. That was September the 6th, 1873.

Q. And the contract was closed when?—A. December 15, 1873, was the date of my contract.

Q. Was that the date of all the contracts that were awarded?—A. No, sir; some were dated December 31.

Q. Whose contracts bore date December 31?—A. I cannot now recollect. It would be necessary to refer to papers before answering positively.

Q. Was yours the first contract made?—A. I don't know. Mine bears date December 15.

Q. When did you make the acquaintance of Mr. Sheldon?—A. There are three members in the firm.

Q. Well, of Charles Sheldon?—A. I do not just now recall the exact date. It was about the time of the bidding.

Q. Which member of the firm did you make the acquaintance of first?—A. Charles Sheldon, one of the junior members; the one I got the samples and price from.

Q. He was one of the firm?—A. Yes, sir; from statements made to me to that effect.

Q. About how long, previous to the letting, did you make his acquaintance?—A. [After a pause.] About thirty-six hours.

Q. Did you make the acquaintance of all the firm previous to the closing of the contract?—A. No, sir; I did not meet them all. I made my arrangements with Charles Sheldon, whom I got my samples from. My object in calling on him was to get samples and final prices. The samples I brought with me, and I promised, in case the contract was awarded to me, to purchase the marble from him. For that reason they gave me lower rates than they would otherwise have done, and lower than they had stated in the correspondence had previously on the same subject.

Q. Then it was arranged that Sheldon was to supply you the marble?—A. It was arranged, in case I got the contract.

Q. I hold in my hand a letter, which I will read.

“178 BROADWAY, NEW YORK,
“October 7, 1873.

Col. O. A. MACK,
War Department, Washington, D. C.:

“DEAR SIR: After diligent inquiry among all prominent marble dealers in this city and Brooklyn, I can find none by the name of *Walsh Brothers*, whose name appears on samples in the Quartermaster-General's Office.

“I would respectfully call attention to the fact that the samples are of *Italian marble*, (unsound at that,) and that the name of *Walsh Brothers* is undoubtedly a cover for some firm dealing wholly in Italian marble, and who, under existing revenue laws, are able to have the entire work finished in Italy and imported (nearly free of duty) as ‘*works of art by American artists residing abroad.*’

“As labor is so cheap in Italy, is it just to American laborers to have this work taken from their hands?

“In haste, very respectfully, yours,

“CHAS. H. SHELDON,
“West Rutland, Vt.

“Firm of SHELDON & SLOSSON,
“West Rutland, Vt.”

And the following indorsement appears also on it:

“A true copy.

“THOS. H. FISHER,
“First Lieutenant, Twenty-second Infantry.”

Do you know anything about this letter?—A. I do not. This is the first I ever heard of it that I remember now.

Q. At the date of this letter, (October 7, 1873,) had it been agreed between you and Sheldon & Slosson that they would furnish you the marble?—A. That agreement was made on the 4th of September. I agreed, if I was awarded the contract, to purchase the marble from them.

By Mr. MACDOUGALL:

Q. Did you sign a written agreement?—A. No, sir; it was a verbal agreement.

By the CHAIRMAN:

Q. How soon after you purchased the interest of the other parties, to whom portions of this work had been awarded, did you notify the Department of your ownership of

the whole contract?—A. Just how long before I would not be able to state. The first intimation was probably when the powers of attorney were deposited.

Q. Did you deposit the power of attorney?—A. Before any work was commenced on these contracts the powers of attorney were filed, I think. Certainly before any work was completed.

Q. Who did you deposit the powers of attorney with?—A. With Colonel Rockwell, at his office.

Q. Was there any objection made to this purchase by you, at the time, by the Department?—A. Never to my knowledge, sir.

Q. You stated, in your former examination, that the Secretary of War gave, as a reason for the division of this contract to more persons than one, that one person would not be able to perform it within the time required by the law, or as well as it would be performed by three.—A. I do not remember of making such a statement. It was not made in that way.

Q. You will please state, now, the reason for dividing this contract, and giving one-third of it to a party who had bid *seventeen* cents less than you; one-third to a party who had bid *sixteen* cents less than you, and one-third to yourself, whose bid was seventeen cents higher than the lowest bidder.—A. I do not know, except the reasons I have given before, and those only hearsay.

Q. Will you please repeat those reasons here?—A. I stated that I had been told that the Secretary of War was opposed to awarding the contract to one person. I don't think I stated that the Secretary of War said so, but that I had heard so. I cannot now call to mind the name of the party that told me. It seemed, though, to be current rumor. This is about the substance of what I said before about it.

By Mr. MACDOUGALL:

Q. Cannot you call to mind who did tell you?—A. No, sir. I don't remember positively who told me or where I heard it; but it was common conversation.

Q. Would you, as a business man, go to work and let a contract of that magnitude and importance to yourself, upon a mere rumor, without knowing something farther about it?—A. I would not let a contract without knowing what that contract was.

By the CHAIRMAN:

Q. How did it come that one-third of this contract was given to you under the circumstances?—A. I know nothing about it. I know no reason, except as given before, and except that the letter was submitted to me by the proper authorities, asking me if I would accept about thirty-five thousand stones at my price.

Q. Were you entitled to any portion of this contract under the terms of the letting, and your bid, which I hold in my hand?—A. I will have to refer you to the Department as the proper authority on that point.

Q. I hold in my hand your bid, signed by yourself and your sureties, which shows that the average amount for furnishing slabs at fifty-six cemeteries, under your bid, was \$4.91 $\frac{14}{100}$, and for blocks \$3.34 $\frac{1}{100}$. Were you, under this bid, entitled to any portion of that contract?—A. The contract, or part of it, was awarded me under my bid for \$900,000 for all the work; that is, I received a proportionate rate, viz, \$3.56, for the part allotted to me under that bid.

Q. Will you please answer my question—were you, under your bid, entitled to any portion of that contract?—A. I cannot state whether I was entitled to any portion of it (not having all the bids before me) or not. Not bidding for each and every cemetery separately, or for all the cemeteries named in the blank form, I could not average the whole work so as to determine that point; but was entitled to those awarded under my \$900,000 bid.

Q. Had you more than one bid?—A. I had two bids, or propositions; one on certain specified cemeteries, and one for all the work at \$900,000.

Q. Did you put these two bids in at the same time?—A. I did.

Q. Were each of those bids signed by yourself?—A. Each signed by myself.

Q. Were they both in the same envelope?—A. Both in the same envelope.

Q. Were they both in compliance with the terms of the letting?—A. I so considered them. They were to the best of my knowledge of what was required. It never has been questioned that I know of.

Q. Did each of those bids furnish security for the performance of the work?—A. I executed my papers according to the requirements.

Q. I hold in my hand a bid of yours made at that time as furnished by the Quartermaster-General's Department, which reads:

"Will furnish all the slabs and all the blocks advertised for, for the sum of nine hundred thousand (\$900,000) dollars.

(Signed)

"SAMUEL G. BRIDGES."

And indorsed:

"A true copy.

"A. J. MCGONNIGLE,
"Captain, Acting Quartermaster."

Was that the bid that you made at that time?—A. I would be obliged to refer to copies of my papers at home to answer positively as to the wording of that proposition. My bid and propositions were signed by myself.

Q. Where did you prepare that bid at?—A. In my room.

Q. Where?—A. In this city.

Q. Is that bid written in pencil or in ink?—A. In ink, sir. I would not have written such important matters in pencil. In reading it you gave no date, I notice?

Q. Was there any security named in that bid?—A. It was contained in the envelope with the bid.

Q. Had any securities signed on that bid?—A. I would be obliged to refer to papers to answer.

Q. What is your best recollection?—A. It is so long since, that I would have to refer to the papers again. I cannot answer understandingly without reference.

Q. You have stated that you considered this bid in with the other, on which there was security. Now, can you not state whether there was security on this special bid or not?—A. Probably not. I probably included it under the same security as the other, for the faithful execution of the work if it should be awarded to me.

Q. I hold in my hand your bid dated Keokuk, Iowa, September 2, 1873, for fifty-six cemeteries out of seventy-two, naming for what you will do the work in each. Will you look at this paper and say if this is your signature or not? [The paper was shown to witness, who examined it.]—A. Yes, sir; that is my signature.

Q. Was that paper made out at Keokuk, or in the city of Washington?—A. It was made out at Keokuk, Iowa; that is, it was filled out, I think, and the bond executed, leaving only the figures blank, to be afterward filled in.

Q. The bondsmen signed in Keokuk, Iowa?—A. Yes, sir.

Q. When was your second bid for nine hundred thousand dollars made out?—A. That I wrote on a separate sheet of paper, and inclosed with the other in Washington when I deposited the bid. It was a proposition to do all the work for a certain price.

Q. Then you never gave any security for the performance of the nine hundred thousand dollar bid at all?—A. I did. It was understood that I should put in the figures as I saw proper after reaching here.

Q. That was an understanding with the securities?—A. Yes, sir; I was to put the figures in when I decided what my bids should be.

Q. The bid for nine hundred thousand dollars, however, proved to be a separate and distinct one; did your bondsmen ever see that paper before you put it in as a bid?—A. They did not. It was understood, though, that I was to arrange the figures of the bid according to my own ideas, after I ascertained the cost of the material and other expenses.

By Mr. GLOVER:

Q. Did they execute to you any power of attorney authorizing you to do that?—A. No, sir; I did not consider it necessary. Their word was as good as their bond to me.

By the CHAIRMAN:

Q. I present you a paper offering to do the work for nine hundred thousand dollars signed Samuel G. Bridges; is that your signature?—A. [The witness examined the paper presented.] That is not my signature.

Q. Have you seen those papers since you have been in Washington?—A. I have not.

Q. Or any other papers appertaining to this matter?—A. I have seen no papers appertaining to this matter.

Q. Was the contract given to you under either one of the bids that I have named to you?—A. I received a letter from Captain McGonnigle, or from the Department, submitting a proposition to know if I would take or execute some 35,000 head-stone slabs at \$3.56 each. The exact wording of the letter I cannot give without reference to the original paper.

Q. Did you receive any contract under your bid, as you made it, for the work?—A. I did; about 48,500, at the rate of \$900,000 for the whole work.

Q. How did you estimate that you did, at the rate of \$900,000?—A. By dividing the total amount, \$900,000, by the total number of stones to be furnished, viz, 253,088.

Q. Have you not stated in your previous testimony that it was not known how many stones would have to be furnished?—A. The exact number was not stated, but an approximate number was given as a basis for estimates. There is a statement attached to the specification showing the total number of stones required is about 253,088.

Q. I hold in my hand your bid. Will you show me where it states that number?

[The witness indicated a printed slip at the head of the bid, and read from it the number.]

A. The total number, as shown here, is 253,088—being 147,694 for the known, and 105,394 for the unknown, graves.

Q. Does your bid show that you were to furnish for one-third of that number?—A.

There was a provision specifying that "contracts may be made for separate quantities of such head-stones."

Q. Does your bid show that?—A. The law at the heading of my bid states it. I should have said the act approved February 22, 1867, shows that, and it is prescribed by the law of March 3, 1873, from which what I have stated is an extract.

Q. Did you get your contract under your bid for separate cemeteries, or under your bid for the entire work?—A. I received my contract on the basis of the acceptance of this proposition submitted to me, whether I would take thirty-five thousand of the stone at a certain price.

Q. Then you did not get your contract under either of your bids?—A. Most certainly; and I would not have got it at all if I had not made a bid.

By Mr. MACDOUGALL:

Q. Have you, in your former testimony, stated anything about two bids having been put in by you?—A. I made a proposition to perform the work in certain cemeteries, and a proposition to do the whole work for \$900,000.

Q. Have you not heretofore stated that your bids were all completed and the bonds executed in Keokuk, Iowa, before you came here at all?—A. Yes, sir. I have stated that the bid was completed all but the filling in of the figures, &c.

Q. Which of the papers shown you do you call the proposition and which the bid?—A. The one executed by my bondsmen I call my bid, and the other the one to do the whole work for \$900,000 is a bid, also. You may call them bids or propositions.

Q. Answer my question: Which is your proposition and which the bid?—A. I call it all one and the same. It is a bid to do the work, or a "proposition" to do the work. It is all a bid. All bids I consider propositions, however.

Q. Do you consider all propositions bids?—A. In this connection I would. The Department advertised for proposals to do certain work for the Government, and I call my proposals bids in that connection.

Q. What do you call a paper slip—a paper without any date or place, which reads in this way: "I will furnish all the slabs and all the blocks advertised for for the sum of \$900,000;" do you call that a proposition or a bid?—A. I would call it a bid or proposition in that connection.

Q. When you handed this proposition or bid in, was it attached to the original bid?—A. I could not state, sir, whether I had pinned it to the bid or not; it was contained, however, in the same envelope.

Q. In what kind of an envelope was it contained?—A. It was in a large envelope. I cannot remember the color.

Q. Do you remember the seal?—A. It was an ordinary seal like a common envelope; not a wax seal.

Q. Have you ever been a bidder before?—A. Yes, sir; four or five years before.

Q. Is it not customary to seal all such bids with sealing-wax?—A. I never sealed one with wax in my life, and do not know that I have ever seen one that was sealed with wax.

Q. Where were you when you sealed this envelope?—A. In my room.

Q. Where was that room?—A. In the Ebbitt House.

Q. Consider that now a little carefully; where was that done?—A. In the Ebbitt House.

Q. It was not in the room where the letting was to take place?—A. No, sir. I answer this to the best of my knowledge and belief. I has been so long ago that I cannot remember all of these small matters exactly, but to the best of my knowledge I sealed that envelope in my room at the hotel.

Q. Do you consider a bid on a contract involving nearly a million dollars as a small matter?—A. I do not so consider it, sir. No, sir, I realized fully what I was doing, and I do not know that I have said anything that shows that I consider the bidding on this contract a small matter.

Q. Where did you purchase this envelope?—A. It was near the Quartermaster-General's Office, in the stationery store under that block, to the best of my recollection.

Q. How far is that from the Ebbitt House?—A. It is about one block.

Q. Was that the nearest stationery store?—A. That is where I was sent, sir, I believe.

Q. Who sent you there?—A. Some person at the Ebbitt House, to the best of my recollection; I may be mistaken.

Q. If you remember so distinctly where you purchased that envelope, cannot you tell the color of it?—A. No, sir.

Q. Did you buy more than one?—A. I bought a package, if I remember. I will state further that I may be mistaken in regard to that. I was sent there, I now recollect, more particularly to get blanks to make out some powers of attorney.

Q. How far did you say this store was from the Quartermaster-General's Office?—A. Near that building; I don't know the exact distance.

Q. What were they for?—A. To execute the agreement with Morgan. It was a year afterward—after the bids were opened—that I went there.

Q. How far is this store from the Quartermaster-General's Office?—A. It is within a square of the Ebbitt House, under some granite steps, below some bank or office; I do not remember exactly the location.

Q. Under the Quartermaster-General's Office, you say?—A. I did not state that. I think it is in the middle of the block; the Quartermaster-General's Office was on the corner.

Q. You came down from the Quartermaster-General's Office and went there to get the envelopes?—A. I did not say that. I never was there (in that office) until I went to deposit my bid, if I remember correctly.

By Mr. GLOVER:

Q. Who were your securities?—A. I gave on my bid H. N. Bostwick and Mr. Wyman.

Q. Are you certain of that?—A. I am not positive until I see the papers.

Q. Wyman's name does not appear on this bid.—A. It is Renaud, then.

Q. What were those gentlemen worth?—A. Both owned property and are considered responsible men. I cannot tell what they are worth.

Q. Have you any idea?—A. No, sir.

Q. Are they worth \$100,000 apiece?—A. I judge not.

Q. What is your opinion?—A. I considered them amply good for the bond.

Q. Good for \$900,000?—A. No bond was required for that amount; the amount is not stated in the specification.

Q. What was the idea in giving this bond on this blank, (this now is the one in which your bid is for \$900,000?) Did you consider Renaud and Bostwick good for \$900,000 if you had gotten the contract?—A. They were good for the amount the bond required.

Q. You have bid here for fifty-six cemeteries; it must run up to some seven or eight hundred thousand dollars. Did you consider these two securities as sufficient on such a bond as would be required for that?—A. They were amply sufficient for what they obligated themselves for.

Q. That is not the question.—A. I did consider them good for what they were responsible under that bond.

Q. Cannot you state what they were worth?—A. No, sir.

Q. How, then, do you arrive at the conclusion that they were good for such an amount?—A. They were so considered, and their names were submitted to the Government official, and he certified that they were men of ample means.

Q. Was that expressed in view of your whole bid for this whole amount, for \$900,000?—A. Yes, sir.

Q. What Government officer was that?—A. J. C. Parrott, postmaster at Keokuk, Iowa.

Q. I would like to have you give your opinion about what each of these men was worth.—A. It would be only guess-work.

Q. Well, give us the guess-work.—A. I don't wish to injure a man by stating not enough, and do not want to state too much.

Q. I ask you to approximate the amount.—A. I think Bostwick was worth from \$35,000 to \$45,000, perhaps more, to the best of my knowledge.

Q. And then the other one?—A. I do not know as much about his property. He had property outside of the city, property in the city, and had some property in the vicinity of Saint Louis, I think, but what it was I know nothing about. He had a farm, too, but how much that was worth, I do not know.

Q. Were any questions asked you about the responsibility of the men after you came here?—A. No, sir; I put my bid in, and that was all about it. I was not asked anything. These gentlemen were securities simply on the bids.

Q. Were these gentlemen to be your final bondsmen in case you got the contract?—A. No, sir; I did not so consider them; Bostwick might have been; probably not.

Q. Whom did you hold in contemplation as your bondsmen when you filed this bid?—A. I could not state, except Bostwick might have been one; the other one was not decided upon.

Q. What amount of bonds were you required to give on the one-third of the contract awarded to you?—A. Thrity thousand dollars.

Q. Who were your bondsmen?—A. Mr. Williams and A. L. Connable; that has been answered in the testimony given before.

Q. Have they any interest in the proceeds of this work?—A. None whatever now, sir.

Q. Is that the only amount of bonds that you have executed for this work?—A. No, sir; I executed a bond to Mr. Sage for the performance of his work when I bought him out. He gave a bond for \$50,000, and I gave him an indemnifying bond for the same amount.

Q. Who is on that bond?—A. Sheldon & Slosson one, and a New York firm the other.

Q. Did you execute a bond to indemnify Mr. Jones?—A. No, sir; I did not.

Q. Did you in regard to Mr. Morgan?—A. No, sir.

Q. How did it happen; did they execute bonds?—A. They did, sir; but I think they would not have executed the work.

Q. To whom is that bond executed? Who signed the bond for the Government—the Secretary of War, the Quartermaster-General, or who?—A. Captain McGonnigle, I think, sir. I think all the business was transacted through his office.

Q. Now what time did you leave Keokuk and come to Washington and file your bid?—A. I left Keokuk on the 2d of September, arrived at Rutland, Vt., on the 4th, and reached here on the night of the 5th.

Q. You went to Rutland to get your samples?—A. Yes, sir; and to make the final arrangement with them as to prices.

Q. Did you say that Sheldon & Slosson are partners of yours in this contract?—A. They are not partners. I arranged with them to furnish the marble and necessary means to execute all these contracts.

Q. Well, what interest do they get?—A. They get interest on balances, and so much for the stone—interest after sixty days on stone.

Q. They furnish all the means?—A. Yes, sir; and all the stone; that covers it.

Q. Did you state in your former testimony that you put these figures down at Keokuk?—A. The figures were not put down. Do you mean the prices?

Q. No, sir; the figures for each of these cemeteries.—A. No, sir; the bid was made out, I think, and the bond executed, all excepting the figures. The prices for marble had to be put in. I got the prices on the 4th, at Rutland, when on my way to Washington, and I then put them in after reaching here.

Q. You arrived here on the night of the 5th?—A. Yes, sir; at midnight, to the best of my recollection, and was figuring all night on the bids.

Q. Now, you state that you worked all night in figuring up, and filling in, and making entries of the figures for the various cemeteries in the printed form; having done this with so much care and labor, what induced you to put in a different bid, one that you call either a "bid," "statement," or a "proposition"?—A. The same reason that has induced me to bid in the same way on different occasions. I have stated in my testimony before that the work could be done a great deal better and cheaper at each cemetery if I got the contract for all of them than if I had only a portion, and I did not desire to get a few in remote places. I would rather have taken the whole contract at a much lower rate than to have done so.

Q. Now, why did you, if you wanted all the cemeteries, rub out a few in the printed list and exclude them from your original bid?—A. For this reason: I expect that I had no positive information as to the freights.

Q. Did you get information as to these freights from daylight until 11 o'clock on the day that you put in your bid?—A. I received three or four letters from different parties with regard to freights which I had ordered to be sent here. I expected more information than I received about it. I did not get all that I expected.

Q. From whom did you get that information?—A. I received three or four letters from different freight-agents. I had directed them to write me here, as I knew I would not have time to get them if sent to Iowa and follow me here.

Q. When did you get those letters?—A. I don't remember at what hour I received them.

Q. I mean where did you receive them on your arrival in Washington?—A. At the hotel.

Q. What time did you get those letters; I mean what time that morning?—A. I think there were two on my arrival at the hotel, and I received one or two about 9 o'clock the next morning, although I don't remember exactly the time.

Q. Did those four letters give you the price of transportation for the sixteen cemeteries left out of the printed form?—A. It was general information as regards certain localities. I do not know that it concerned the sixteen. I could not tell now just what influence it had upon the sixteen cemeteries.

Q. How long was it before 11 o'clock that you put your bid in?—A. Fifteen minutes before 11, about.

Q. Was this the last bid put in?—A. I do not remember. It was the last and only one by me.

By Mr. MACDOUGALL:

Q. Would you have known it if it was the last?—A. I paid no attention to the bids that were being put in. I do not know. I was not acquainted in the room, and took no notice of what was going on specially.

Q. To whom did you give that bid?—A. To the person at the table or desk.

Q. Who was that person?—A. I cannot say, sir. I only asked the question if he was the proper person, and was told that he was.

Q. Was he sitting or standing up?—A. I don't call to mind.

Q. Do you remember whether he was at a table or a desk?—A. I think at a table.

Q. Was any other person in the room?—A. Yes, sir.

Q. Are you willing to swear positively—and I want you to consider before you do—whether you are positive you put in what you called your “proposition” before or after the opening of the bids commenced?—A. I will most solemnly swear, on a pile of Bibles as large as this Capitol, that it was put in about 15 minutes before the bids were opened, or opening commenced. If you have such testimony, I denounce the author as a malicious falsifier.

Q. Did you receive any information from any person previous to the opening of the bids on the 6th of September, 1873, which induced you to abandon your original bid and make another?—A. I did not; neither did I abandon the original bid. I always intended to bid in that way, (a bid covering the whole.) That was why I sat up all night to figure up as near as possible the whole cost.

Q. Do you tell me that you sat up all night to make your calculations, and entered the result in this printed form, only to throw it away the next morning and write in three or four lines that you would take the whole thing for \$900,000?—A. I did not throw it away. I only based my information as to the total amount or total cost of the work upon the work that I had done that night, and it is no small job to do it.

Q. Was there any necessity for turning over the pages of this paper and entering all the respective lists and prices in regular order if you intended to accomplish the whole by a slip of paper containing the words I have quoted?—A. Compliance with that form was required by the Department, and I only followed, in making out my bid, the specifications. The requirements provided a special blank on which the bids were to be made.

Q. Then you did attach that paper to the other blanks?—A. I am not positive whether I pinned it on or not, but think so; but I certainly inclosed it as a part and parcel of the same bid. I could do the work for the whole number, in proportion, *cheaper* than for a few. There were other reasons, also, for the difference between the bids. For instance, the contract contemplated marble and granite, but I did not bid for the granite-work at all.

Q. Have you the letters which you received in Washington giving you the information at that time about the transportation?—A. I think I have all of them at home. I think I kept every one; at all events I have the memorandums upon which I made the calculations at that time. I may not have kept all the letters, but I think I did.

Q. What did you add in commendation of your claims for a portion of this bid, (which was pending nearly two months;) what did you add to secure a portion of that contract?—A. I talked more or less with my friends at home. However, I knew nothing in particular of the reason. I may have written to Sheldon about the bid, but I have no recollection now.

Q. How long did you remain in Washington after the date of the bidding?—A. I could tell by reference to the hotel-register, but I think only one day.

Q. Did you return to Washington again before the contracts were awarded?—A. Yes, sir; after receiving this letter I came here; the letter referring to whether I would take a portion of the work at a certain rate.

Q. Whom did you see then?—A. The gentleman who occupied the most of my time on that occasion was trying to get me into a combination with Jones's and Morgan's bids. He wanted me to decline to accept the propositions of the Department, and if I declined they would also. They, as he stated, wanted me to combine in a letter with them, demanding that we receive the slabs and blocks at our own figures, and not the slabs without the blocks.

Q. What gentleman was that?—A. I cannot tell his name. I do not remember it.

Q. Was he one of the bidders?—A. No, sir; not to my knowledge. He claimed to acting for Morgan and Jones. I was figuring over carefully to see if I could take them at \$3.56, the price offered by the Department, when I was approached by him; but I refused to enter into any ring or combination with them.

Q. Do you know any reason why you were addressed on the subject and asked if you would take one-fourth of the slabs at a higher price than the lowest bidder?—A. No reason except those that I have stated already.

Q. Whom did you see after this strange gentleman on that occasion?—A. Only my family and friends that I remember, who were here with me at that time.

Q. About what time was that, what month and what day of the month?—A. I think it was during the month of October, but I am not positive with reference to that.

Q. Did you see the Secretary of War during that visit?—A. Yes, sir; he called at the hotel. He was acquainted with us, and came to call on my friends and family.

Q. What took place then?—A. Nothing of importance. He called socially on the ladies, my friends, and myself; it was merely a friendly visit.

Q. Did you talk business at all?—A. No, sir; I think not, except the matter was spoken of only, and he said that the subject was not yet decided by the Department.

Q. Did you have any business talk with him on that subject?—A. His reply to the only question that I asked him on that occasion was that he did not know anything about it; that the Department had not decided the matter, and he didn't know what they would do.

Q. Did you see him after that, before the contracts were awarded, at any time?—A. I don't think I did, sir.

Q. Did you see any other official here in relation to this matter?—A. I don't think I did.

Q. Who was it that was so kind as to give you one-third of the work?—A. I was told by Mr. Sage that letters were written to four different parties—the Brandon Marble Company, myself, Jones, and Morgan, and a proposition was submitted to the four, as I understood. I had, I think, called upon Colonel Mack, finding he had something to do with it, though I was not acquainted with him previously, and asked him what would be the result, and understood from him that the matter had not yet been decided. The proposition had not been accepted when I asked him the question.

Q. When was the contract awarded?—A. Dated the 15th December.

Q. Can you give any reason why three months and over were allowed to pass before the awards were made?—A. No, sir; I cannot.

Q. What did Colonel Mack say to you?—A. That is all that I remember. I had no conversation in particular, except what I have named.

Q. Are you certain that you have told us all the interested parties in this contract, viz, the Marble Company, Sheldon & Slosson, and yourself?—A. I have stated in my previous testimony that Mr. Williams, one of the bondsmen, commenced to execute the work; but that after a time it was arranged to purchase his interest. No other person or persons are interested.

Q. I understood you to say that Williams had no interest?—A. My testimony shows that I said he had a share in the profits at first.

Q. Did you buy out Mr. Williams?—A. Yes, sir.

Q. Did you see Charles Sheldon in New York City about October 7, 1873?—A. I did not, to the best of my knowledge. I had not seen him up to that time.

Q. At what time did you make the final arrangement with Mr. Sheldon?—A. It was made September the 4th, for the marble, when I called for the samples. They gave me prices of the samples and figures, provided that if I received the award I would give them the contract for the marble, and I promised them that I would do so. The final arrangement was in October, 1874, I think is about the time.

Q. Then I understand you to say that he was interested at the time Williams was?—A. The only interest that he had in it was my promise to purchase the marble from them, provided I got the contract.

Q. You have no knowledge of Mr. Sheldon's writing a letter to Colonel Mack about October 7, 1873?—A. I have stated before that the reading of that letter was the first I had ever heard of it, to the best of my recollection.

By Mr. MACDOUGALL:

Q. Have you ever seen the man who sat at the table when you handed in your bid?—A. I came into the room an entire stranger, and don't remember positively who it was, or whether it was McGonigle or some other official.

Q. Have you ever seen the party that sat at the table when you handed in your bid?—A. I cannot state positively.

Q. Are you willing to swear it was not McGonigle?—A. I am not.

Q. Was Williams in the city at the time of the letting, or from the time of the letting until the contract was made?—A. Not that I know of.

Q. Do you know of his having left Keokuk to come to Washington?—A. No, sir.

Q. Did you have conversation about his coming here?—A. No, sir; I had not.

Q. Did Williams ever say to you that he had been here and had seen parties connected with the War Department?—A. No, sir, that I call to mind.

By the CHAIRMAN:

Q. What was your business before you went into the contract business?—A. I had formerly been in the mercantile business.

Q. What was your mercantile business?—A. Jewelry business; a manufacturing jeweler and dealer.

Q. A dealer in jewelry?—A. Yes, sir; and manufacturer.

Q. What kind of jewelry did you manufacture?—A. I was manufacturing a great variety of goods in that line.

Q. Is that the business you were in immediately before you went into the contract business?—A. Yes, sir.

Q. You said that you went into the contract business after Mr. Belknap became Secretary of War.—A. I said as nearly as possible 1870, and I think after he became Secretary of War.

Q. Where were you contracting previous to making this contract?—A. At Fort Leavenworth, in the Department of the Missouri, and also in the Department of Dakota.

Q. What were your contracts for?—A. Grain, wood, hay, and supplies generally.

Q. Had you any large contracts previous to this one?—A. None as large as this.

Q. How large a contract had you previously to this one; the largest?—A. They averaged from ten to twenty-five and thirty-five thousand dollars. There was one contract which Mr. Williams and I arranged that amounted to about \$100,000.

Q. What was that for?—A. For grain.

Q. Where at?—A. The grain was to be furnished to posts up the Missouri River. It was arranged to deliver it at Sioux City and Saint Paul.

Q. Where did you procure that contract?—A. The contract was procured from parties in Minnesota; a subcontract. I bid on the contract, and was one of the lowest bidders. I wrote to the department at the time that if the contract was awarded to me I desired to deliver the grain at once, and that unless they would take it immediately, I did not wish to take the contract, and would withdraw my bid. I could not afford to hold the grain on an uncertainty, as the price was declining. I received a reply from the department, I think, that the contract could not be awarded until they had appropriations, or something of that kind.

Q. What department advised you of that?—That was from Saint Paul, and I withdrew the bid. Williams owned the grain really, and could not afford to hold it under the circumstances.

Q. From whom was that letter received?—A. From General Card's office, I think.

Q. Where did Card get the authority to make a contract for \$100,000, or had he any such authority?—A. The result proved that he had. The contract was awarded to other parties, who made an arrangement with Williams, and bought a portion of his grain to fill that contract; perhaps all.

Q. Who advised you to go into the contract business?—A. I went in voluntarily, and took nobody's advice.

Q. Who is Williams, and where does he reside?—A. He resides at Keokuk, Iowa, and is a contractor.

Q. What form of contractor?—A. I think he had two contracts on that Keokuk canal, and others in Pennsylvania and Michigan, and I think he has bought out other contractors in a good many different places.

By Mr. GLOVER:

Q. Is Williams related or connected in any way with the late Secretary of War?—A. No, sir.

Q. To what extent or amount did he receive contracts on the canal?—A. I could not state. I do not remember the amount of the awards.

By the CHAIRMAN:

Q. In making up your bid for the 56 cemeteries which has been exhibited here, that you set up all night to make out, did you bid on the 56 in which you considered the most profit to be?—A. I did not; cost of material was the same; made an average bid. I bid finally on those that I had positive information about. That is my recollection.

Q. You state as a business man that you did not bid on the cemeteries in which you considered there was the most profit.—A. It is important in bidding on a contract of that kind to bid for undesirable work as well as desirable points, to have it considered favorably.

Q. The ones that you left out of your bids are as follows: Ball's Bluff, where there are 1 head-stone and 24 blocks to be furnished. The next is Barrancas cemetery, where there are 580 head-stones and 375 blocks to be furnished; one at Battle Ground cemetery, where there are 40 head-stones and no blocks to be furnished; one at Beverly cemetery, where there are 138 head-stones and 7 blocks to be furnished; one at Crown Hill cemetery, where there are 672 head-stones and 36 blocks to be furnished; one at Cyprus Hill cemetery, where there are 3,038 head-stones and 75 blocks to be furnished; one at Danville cemetery, where there are 1,159 head-stones and 134 blocks to be furnished; one at Fort Harrison cemetery, where there are 240 head-stones and 286 blocks to be furnished; one at Glendale cemetery, where there are 237 head-stones to be furnished and 399 blocks; one at Grafton cemetery, where there are 618 head-stones and 608 blocks to be furnished; one at Laurel cemetery, where there are 236 head-stones and 2 blocks to be furnished; one at Loudon Park cemetery, where there are 1,478 head-stones and 161 blocks to be furnished; one at Philadelphia cemetery, where there are 1,789 head-stones and 30 blocks to be furnished; one at Salisbury cemetery, where there are 88 head-stones and no blocks to be furnished; one at Staunton cemetery, where there are 231 head-stones and 406 blocks to be furnished; one at White Hall cemetery, where there are 59 head-stones and one block to be furnished. I want to ask you now if these are not the sixteen, taken together, which are the most inconvenient and least profitable cemeteries in the whole list?—A. They are the best ones in *some cases* in the list, in nearly every instance, perhaps, or they are among the best, because they have proven to be nearer home.

Q. State, then, your reason for leaving out the best ones.—A. I had no information, perhaps, as to freight. I had not thought that I had left out the best ones. The reason was that I expected to have a day in Washington before the bids were put in, and I would have time to examine into the matter, and get the rates of freight; but I did

not have time to do so, and did not make the bids until I was able to inform myself about it.

Q. You left Keokuk on the 2d?—A. To the best of my recollection.

Q. Where did you go from Keokuk?—A. Direct to Vermont.

Q. And from there?—A. Straight to Washington.

Q. Now, do you say you sat up all night to make out this bid, and that you struck out of your bid the sixteen most profitable cemeteries?—A. Not because they were the most profitable, but, probably, because I did not get the information to justify me in bidding on them separately.

Q. Who was with you that night helping you to make out that bid?—A. I was entirely alone.

Q. With whom did you consult before putting in your bid the next day?—A. I consulted with no person as to cost of these cemeteries. My figures were made from information received, and in my own possession.

Q. At what time that night, or the next day, did you conclude to put in the bid for \$900,000?—A. It was decided upon just before I sealed my bid, I think.

Q. Where were you when you sealed that bid?—A. I sealed the bid in my room; am quite sure; put it in my pocket, and went direct to the Quartermaster-General's Office, to the best of my recollection.

Q. When you sealed and put it in, which did you consider your bid, the \$900,000 one or the bid for the cemeteries separately, which, leaving out the sixteen, for which you did not bid, would amount to more than \$900,000?—A. That was left for the decision of the Quartermaster-General's Office.

Q. You say you filled in your bid at the Ebbitt House?—A. That was my statement, I think, sir.

Q. Did you sign the bid at Keokuk the same time your sureties signed it there?—A. Yes, sir; I think so.

Q. That was signed by them at the same time that you signed it, you say?—A. I signed it, to the best of my recollection, before they did.

Q. Where did you get the ink that you used when you filled in your bid at the Ebbitt House?—A. I presume from the office of the house.

Q. Did you use the same ink, or not, when you filled in the bid at the Ebbitt House, that you used at Keokuk when you signed the contract?—A. I don't remember that I carried ink with me, though I might have done so. I cannot state positively.

Q. Did you use the same pen?—A. I cannot state. It had been my custom formerly to carry pen, ink, and paper with me—one of those close-topped inkstands. Don't recollect whether I had such with me then.

Q. Did you use the same ink, to make out your bid for \$900,000, at the Ebbitt House that you used to fill in the contract with?—A. I could not state, sir. I have no recollection about it that is positive.

Q. You are quite sure, however, that you signed them both in the same room at the same time?—A. I don't call to mind that fact. To the best of my recollection, I wrote the bids, as I said, in that room.

Q. If you had signed the bid at any other place, would you now recollect it?—A. I am quite positive I would.

Q. Will you state now, positively, whether you did or did not sign both at the same time?—A. I would not state positively whether I signed that blank form and bid in Keokuk, Iowa, or not; certainly the bond was executed there.

Q. I ask if you signed the bid for \$900,000 at the same time you filled in the bid for the different cemeteries at the Ebbitt House, as you have testified?—A. They were both written here; that is, the filling in. The letter written, accompanying the bid, was certainly written here.

Q. Were they both done at your room in the Ebbitt House?—A. To the best of my recollection, they were.

Q. Then they would both be written with the same ink, would they not?—A. Not necessarily so; but I presume they would. If I had the inkstand referred to, I might have replenished it with ink.

Q. Did you have two kinds of ink in that room?—A. Not to my knowledge; might have had.

Q. Will you examine this bid, please, and state whether the filling in of the amounts is done with the same ink that you signed the bid with yourself and your sureties, in Keokuk, Iowa, as you have stated?—A. I cannot state.

Q. Well, examine and give us your best opinion.—A. I have no recollection about it, sir.

Q. Will you give us your opinion; look at the signature of yourself and your sureties, and the filling in, which you say was done at the Ebbitt House, and tell us if the writing appears to be done with the same ink that the filling in was done with or not?—A. I think not. I don't think I brought ink with me, but I might have done so, as above stated. I only state that the bondsmen signed in Keokuk, the filling in I know I did do here myself, as far as figures are concerned.

Q. Will you state, on examination of the paper and ink used in signing at Keokuk and here, that the same ink appears to have been used on both occasions?—A. I am not able to state that. I have looked at it carefully, and I have no opinion about it. I do not think I have stated positively that I signed the bid in Iowa. I may have done so and may not, but I am not sure. At all events it was not necessary.

Q. I do not now ask you in reference to your own signature alone, but ask you now to examine this paper and give your opinion as to whether or not the signatures of your sureties attached appear to be made with the same ink as the filling in of the amount for the 56 cemeteries, which you say was done at the Ebbitt House in this city.—A. The two signatures on the bond are not with the same ink. I know from my own knowledge also that it is not the same ink. Bostwick signed in his place of business, and the other man signed in his place of business, and it is reasonable to suppose that they signed with different ink.

Q. That is not an answer to my question. I ask you now to state whether or not the signatures of your sureties attached to this bid appear to be made with the same ink as the filling in of the amounts, which you say was done here?—A. I do not think so. The ink is different. I can see that plainly.

By Mr. MACDOUGALL:

Q. Was H. M. Bostwick, Mr. T. Renaud, Mr. J. C. Parrott, or either of them, in the city of Washington about the time this proposal was signed?—A. Neither of them. They were in Keokuk.

Q. There seems to be an alteration made here in the date; somebody made a 3 here and attempted to alter it by scratching it out and putting in a 2. Can you explain that?—A. I presume that I made the 3 by mistake, and found out subsequently that it was wrong.

Q. Are you quite sure that you made that change before the signatures were added?—A. I know that it was done before.

Q. Now, you state that you were here with your family at that time?—A. No, sir.

Q. Did you not testify that you were here with your family at the time this transaction took place?—A. No, sir; I came on after the proposition was submitted to me about taking the 35,000 stones at \$3.56, and at that time I brought my family with me; but they were not here before.

Q. How did it happen that you put in a bid for \$900,000 without the consent of your bondsmen?—A. I had a positive understanding with them that the prices were to be inserted after I found out what they would be.

Q. Are there not many other alterations in this?—A. I may have made some mistakes; I could not say that I did not. If I did I presume that I corrected them as I proceeded.

Q. Will you swear that the date was not changed after you reached here?—A. Yes, sir.

Q. Can you state the reason why the name of the party to whom the certificate was given was left blank?—A. I suppose it was only from want of information as to the proper name to insert there.

Q. What did you expect to be put there?—A. I did not know. I don't see that the name was important.

Q. Then I understand you to say that these figures were all filled in after this paper was executed, all having been left blank except your signature, the signature of the sureties, and the signature of the postmaster at Keokuk, Iowa?—A. I think the paper was executed and the filling in, all except the figures, to the best of my recollection; but I may be in error. The figures were placed there by myself after I ascertained the prices of the marble at Rutland.

Q. What figures?—A. The price at which I would be willing to take the work.

Q. In leaving this name blank, the idea was that you could transfer this contract?—A. No, sir; that was the place for the name of the proper officer here to whom it was directed. If Captain McGonnigle's name should have been put in, it would have made it what it was intended to be, and I suppose it was left blank for the reason that I did not know whose name was proper to insert.

Q. The blank, then, was to be filled with the name of the officer of the Government to whom the bids were sent, and who signed for the Government?—A. Yes, sir; that is my understanding. "The United States" would be proper.

WASHINGTON, D. C., *March 18, 1876.*

MAURICE J. WALSH recalled.

By the CHAIRMAN:

Q. How long prior to the opening of the bids for the head-stones of the soldiers' graves, in the Quartermaster-General's Office, on the 6th of September, 1873, was it that you deposited your bid—how long prior to the hour of opening?—A. The day before.

Q. Were you present on the morning of the opening of the bids?—A. Yes, sir.

Q. How many bids did you see go in that morning?—A. I only saw this bid of Bridges that morning.

Q. How long were you present in the room before the opening?—A. About a minute or two.

Q. You saw one bid put in?—A. Yes; dropped in the basket at 11.13.

Q. Do you know Bridges?—A. I have seen Bridges here. He was pointed out to me outside the door of this committee-room as I came in, but he is not the same man who dropped his bid into the basket after the opening commenced.

Q. How many people were present?—A. There were some eighty or a hundred; the room was crowded.

Q. Was there any person in the room at that time whom you can now name, who knew that you made complaint of this bid being put in?—A. The whole room must have heard me; but one person in particular sat right alongside of me. He got up just as quick as I did, and called my attention to it.

Q. Who was that man?—A. A man by the name of J. Irvin Burns.

Q. Where does he live?—A. In New York, at 478 Fifth avenue, I believe; it is right opposite the reservoir.

Q. Was there any other person present whose name you can now recall?—A. All the room were strangers to me except this man.

Q. How soon after that did you leave for New York?—A. I don't think I left for some two or three days.

Q. Did you receive any communication from the Department after that time about the letting?—A. No, sir.

Q. Did you receive a copy of this communication:

“WAR DEPARTMENT,
“QUARTERMASTER-GENERAL'S OFFICE,
“Washington, D. C., August 15, 1873.

“Mr. ————:

“SIR: In addition to the information contained in the specifications for head-stones for soldiers' graves, you are advised that abbreviations may be made in the Christian or first name of the deceased, also in his rank, and in the name of his State, thus: Wm. C. Jones, pvt., Mass.; Sam. H. Walker, lt. col., Pa. Where the name of the deceased is long, it must be put on the stone in a curve, with the rank and name of the State below.

“By order of the Secretary of War:

M. C. MEIGS,
“Quartermaster-General.”

A. No, sir. The only specifications I have received was one telling you the distances from the various points where the cemeteries were. For instance, in New York it would say, Cypress Hill is eight miles from the city.

Q. Well, look at that document and state if your bid would have been any less than it was, if you had received this additional information.—A. [After examining the paper.] Why, yes; my bid provided for the whole name and rank, and here they abbreviate it. Now, for instance, in the word private there would be three letters less than what my bid specified; in Massachusetts, by this abbreviation, there would be several letters less; in lieutenant-colonel there would be a gain of twelve letters. The difference would be considerable, and I could not say exactly what it would be unless I had a full list of the names. They did not furnish us a list of the names at all to go by.

By Mr. MACDOUGALL:

Q. What is the cost per letter to cut those letters?—A. It costs about seven-eighths of a cent to do it by hand and one-eighth to do it by the sand-blast.

By the CHAIRMAN:

Q. That would have made some reduction in your bid?—A. Yes, sir.

Q. In a letter from Charles H. Sheldon, a copy of which has been furnished the committee from the Department, dated October 7, 1873, he says that after diligent inquiry he was unable to find in New York any such firm as Walsh Brothers. Will you state what your firm was at that time?—A. Walsh Brothers.

Q. What amount of business were you doing at that time?—A. Our pay-list at that time amounted to about \$10,000 or \$12,000 a week for labor.

By Mr. GLOVER:

Q. Were you large importers of marble?—A. We handled principally on commission.

By the CHAIRMAN:

Q. Where was your place of business?—A. Our business office is at 333 West street, corner of King, but our marble-yard office is at 52 Corlears street. Our yard is bounded

north by Front street; East River, south; west by Corlears street; and east by East River.

Q. This letter states that your bid was made "under cover of some firm dealing wholly in Italian marble."—A. No, sir. It was a square out-and-out bid. There was nobody interested but our concern in the whole thing. It was a legitimate bid.

By Mr. MACDOUGALL:

Q. How long were you in the city before the bids were opened?—A. I arrived here, I believe, the same morning the bids were opened, or the morning previous, I am not positive.

Q. How were your bids handed in?—A. I went in person, and put them in myself. I was here about three or four days before that to get my samples in, and then went off to New York, and got back either the day before or on the morning of the opening. My bids were in, though, the day before the opening.

Q. How many trips did you make in all to Washington in connection with this matter?—A. About three.

Q. What time was the first trip?—A. About a week or so before the bids were opened, maybe four days. The next was the day before, or the day of the opening, and the next was after the business was done. I came on here to see Belknap about it.

Q. You say that you never saw this circular about reducing the number of bidders before—this change in the specifications?—A. I am positive that I never saw it.

Q. Can you give an approximation of how much less that would have made your bid?—A. [After making a calculation.] I think it would make a difference of about \$22,000.

By Mr. GLOVER:

Q. In making up your bids upon all the cemeteries, did you have correspondence with the various transportation companies relative to the cost of delivering your material at the cemeteries?—A. We had a man on it for about six weeks. Certainly I could not have made up the bids without knowing the cost of transportation.

Q. Did you settle the question of transportation as regards each cemetery?—A. Yes, sir, I have all the papers here now relating to it, and I think I got every cemetery.

Q. How long before the bidding did you complete that investigation?—A. It was some eight or ten days.

By Mr. MACDOUGALL:

Q. This bid [indicating a certain paper] is the bid of Samuel G. Bridges. You were present at the opening of the bids. State now whether or not that has any resemblance to the paper that you saw taken out of the envelope that was dropped in, in your presence, after the opening had commenced?—A. Positively, no, sir. That can be sworn to by all the other bidders, if they will tell the truth.

Q. Will you state again what the size and dimensions of the paper were that was taken from the envelope that you saw dropped in at 11.13; and whether or not the envelope contained more than one paper?—A. I should think it was a piece of paper ten inches long by seven inches wide.

Q. Was there any other paper attached to it?—A. No, sir.

Q. You remonstrated against the reception of that bid?—A. Yes, sir.

Q. Did you subsequently hear that bid read off?—A. Yes, sir.

Q. By whom was it read?—A. I think by Mr. McGonnigle.

Q. What was the reading of that?—A. That bid furnished the whole cemeteries, as far as I recollect, something like this: "I hereby agree to furnish the seventy-two cemeteries complete for the sum of \$900,000."

By Mr. GLOVER:

Q. Do you recollect the name signed to it?—A. Samuel G. Bridges.

By Mr. MACDOUGALL:

Q. Did not he then proceed to read off another bid taken from the same envelope?—A. No, sir.

Q. You are quite positive about that?—A. Yes, sir.

Q. What bid was next opened after that?—A. I cannot say what was the next bid. There was considerable excitement about the one that was dropped in, as I said, and I kept my eye on that.

Q. Do you remember the size of the envelope containing that bid?—A. I should think it was rather larger than the one in your hand. [Referring to an ordinary official envelope.]

Q. Have you tried to refresh your memory about the color of the envelope?—A. Yes, sir; it was a blue envelope.

By the CHAIRMAN:

Q. You recollect that it was a blue envelope?—A. Yes, sir.

WASHINGTON, D. C., *March 20, 1876.*

SAMUEL G. BRIDGES recalled.

By the CHAIRMAN :

Question. [Exhibiting paper to witness.] Please look at that and say if that is the bid as you made it?—Answer. That is my handwriting. I guess that is the way it was done. I think I testified that I could not say whether it was attached or not; it was on a full sheet.

Q. Is that your bid as you made it?—A. To the best of my recollection I should think it is. Seeing it now, I should say so, with the full sheet of paper.

Q. You made it in the shape it appears here, did you?—A. I retained copies of the bids, as I almost always do, and have those papers at home; and they may throw some light upon the subject, and refresh my memory some; but I should judge, from seeing that, that I must have attached them, and that that is as I made it, but I could not state positively. This was inclosed with the other and considered part and parcel of the same bid. Whether it was attached in that manner I could not state positively now.

Q. Was there more than one copy of the bid in the inclosure?—A. I am not positive whether they required bids in duplicate or triplicate. I conformed fully to the requirements in the advertisement, whatever they were.

Q. [Handing another paper to witness.] Is that your handwriting?—A. That is mine.

Q. That appears to be a bid, does it not?—A. That is my handwriting.

Q. Does that appear to be a bid of the same kind, and made at the same time?—A. Yes, sir; I should suppose so. I have forgotten whether I put it in in duplicate or triplicate. It is sometimes one and sometimes the other.

Q. That is your handwriting, also, is it not?—A. That is my signature.

Q. Will you state how many copies of the small paper containing the bid for the entire work at \$900,000 were in that envelope?—A. I conformed to the terms of the advertisement; that is all I can state. The papers were in duplicate, or whatever they required; that is the best of my memory.

Q. Then, if the bids for the grave-stones to be furnished at the different cemeteries, stating the amount for each, were in duplicate or triplicate, do you mean to be understood that the bid to perform all the work for \$900,000 was in duplicate or triplicate, also?—A. To the best of my knowledge and recollection.

Q. I hold in my hand two papers, marked A and B, to which your name is signed, and which you say is in your handwriting. Will you please to state if the small bid attached to each, offering to do the work for \$900,000, and signed Sam. G. Bridges, is in your handwriting also?—A. I have not stated that they were both in my handwriting. One shows for itself that it is a true copy.

Q. Are the two bids marked A and B signed by yourself for the grave-stones at the different cemeteries the two original bids which you put in at the letting?—A. I suppose them to be. I have put in no bids since of that kind.

Q. The two papers for the work at the different cemeteries appear to be signed by you. Are the signatures genuine?—A. They are my signatures; they are genuine.

Q. Are they the bids that you make for the work, or are they not?—A. They are a part of the bids made for the work.

Q. What other part was there to the bid made for the work than that which appears in this paper?—A. None but what appears in this paper.

Q. Then what do you mean by saying they are a part of the bid made for the work?—A. That part of the bid to do the whole of the work for \$900,000 was the basis upon which the work was awarded. The contract awarded to me was for about 48,500 head-stones. I have purchased the contracts of others, and to-day have erected or have in transit about 130,000 out of the 250,000. I think this ought to be sufficient on the subject of all those points in question, that I have executed that part for which I executed bond to the United States.

Q. I have not called your attention to the contracts at this time, but to the bids you made for the work. I ask you now if you put in as many separate bids to do the work for \$900,000 as you did separate bids to do the work, naming for what you would perform the work, at fifty-six separate cemeteries?—A. My bid for \$900,000 was to cover all the cemeteries, and do all the work, as per advertisement.

[Question was read to the witness.] A. To the best of my knowledge I put in as many, understanding that if the bids were in duplicate, the separate bids were in duplicate, and the proposal for \$900,000 was in duplicate.

Q. Then, if the bids upon the paper prepared naming different cemeteries, and put in by you, were in triplicate, your bid to do the work for \$900,000 was put in in triplicate also, was it?—A. To the best of my knowledge it was conforming to the terms of the advertisement.

Q. Do you recollect now where you wrote the bid for \$900,000?—A. In Washington to the best of my recollection.

Q. Have you no recollection of writing more than one copy of it?—A. My recollection is that I conformed to the terms of the advertisement, whatever they were.

Q. Did the bid for \$900,000, as it appears here, in which you say, "Will furnish all the slabs, and all the blocks advertised for, for the sum of nine hundred thousand dollars, (\$900,000.) (Signed) Samuel G. Bridges," and without date, comply with the terms of the advertisement?—A. I so considered that I conformed to the terms of the advertisement.

Q. Was it so treated by the officers who opened the bids?—A. I never heard anything to the contrary.

Q. Which did you consider your bid—the one to do all the work for \$900,000, or the other bid which was made upon the papers prepared, and in which you state that you will do the work for each of the cemeteries?—A. I executed a bond to comply with the terms of either, leaving the Quartermaster's Department to decide the question as to which proposition would be accepted.

Q. Did you say so in the bid, when you made it?—A. I considered that the papers would show for themselves.

By Mr. GLOVER:

Q. Did the Quartermaster-General so decide? If not, who did?—A. I never knew anything about any decision until I received a letter submitting the proposition, or asking me if I would accept 35,000 or about 35,000 stones at my price, \$3.56. Am not able to give the exact wording of that communication without reference.

By the CHAIRMAN:

Q. Which bid was that?—A. On that proposition for \$900,000 for the entire work.

Q. You have stated the amount of work you have done. Will you please state the amount of money you have drawn?—A. It would be impossible to state that without reference to the books.

Q. Can you state an approximation?—A. I cannot from any knowledge I have, without reference to the books.

Q. Have you received the pay for all the work you have done?—A. All the completed work, according to the terms of the contract.

Q. How much of the work is completed according to the terms of the contract?—A. In the vicinity of 110,000, the remainder being in transit, scattered all the way from Vermont to the cemeteries.

Q. Is any per cent. kept back on the stones furnished?—A. Ten per cent.

Q. Are you paid when the stones are delivered, or when they are shipped?—A. On delivery at the cemeteries, only.

Q. How many have been delivered and set up?—A. In the vicinity of 110,000.

Q. How many head-stones were to be supplied?—A. Two hundred and fifty-three thousand and eighty-eight is the approximate number.

Q. In determining the amount that you were to supply, how was the price fixed?—A. The blocks on Sage's contract were to be delivered and set in the ground for \$2.42 apiece; slabs for my portion of the contract, at \$3.56 each; for that part which Mr. Morgan had, \$3.40 each; the portion of Mr. Jones, at \$3.39 each. The cemeteries are named in each contract.

Q. Would that make the total amount to be paid \$900,000?—A. It would make \$763,767.11, as the awards were made.

Q. Had the amount of your bid anything to do with fixing the amount that you were to receive for this work?—A. It had, so far as the 48,500 awarded to me was concerned.

Q. Then, in fixing the contract for you, the Quartermaster-General first took out the amount for which the blocks were to be furnished, the one-third of the contract which was awarded for 16 cents less than you would perform it, and the one-third of the contract which was awarded for 17 cents less than you would perform it, and deducted this amount from your bid of \$900,000, and gave you the balance for the work you contracted for, did he?—A. I was not aware of any fixing up for me, but Mr. Sage bid \$2.42 for the blocks, giving him the blocks at \$2.42, and dividing the slabs between the three parties that they were awarded to, made a saving to the Government of about \$136,000 less than the \$900,000 bid.

Q. If the contract for the head-stones had been let to the lowest responsible bidder, as the contract for the blocks were let, how much of a saving would that have been to the Government upon the contract?—A. \$25,107.98, presuming Mr. Jones to have been the lowest responsible bidder.

Q. Who was the lowest responsible bidder for the entire contract?—A. According to my understanding, Charles S. Jones was the lowest bidder for white marble. That is what the specifications called for. Am not prepared to state about his responsibility.

Q. How much less than your bid was his in the whole amount?

The WITNESS. Slabs and blocks?

The CHAIRMAN. Yes; the whole bid.

A. \$42,023.26.

Q. Whose was the next lowest bid?—A. There were none lower for white marble.

Q. How much was his less than yours for the whole amount, slabs and blocks?—A. Cannot answer.

Q. Was there a bid to furnish the stones of granite?—A. There were bids of that kind.

Q. Whose bids were those?—A. I could not state.

Q. Was B. B. Bowers, of Keokuk, a bidder?—A. His name was not called among the bids, to the best of my recollection.

Q. Was he a bidder, or in any way interested, in any bid that was made?—A. Not to my knowledge.

Q. Are you acquainted with him?—A. I am.

Q. Do you know of his having a bid prepared?—A. I do not. He said to me that he was not a bidder; I was surprised to see him in the office; he was the only person present I knew.

Q. Did you have any talk with him at Keokuk upon the subject?—A. Not a word that I remember of.

Q. Was Mr. S. Belknap, of Louisville, a bidder?—A. I would not be able to state without reference to my memoranda, which I took at the time; I have no recollection of such a name.

Q. Do you know him?—A. I do not.

By Mr. HURLBUT:

Q. You made two propositions to the Quartermaster-General, one in detail at certain fixed prices for each cemetery, and one in gross for the entire amount, did you not?—A. I considered them one and the same. They were inclosed together, and I had one bond to cover them both.

Q. You made, then, did you not, two forms of propositions?—A. Yes, sir.

Q. Was either of those propositions accepted by the Department?—A. Those that were awarded to me were on my propositions.

Q. Just answer the question. Was either of those propositions, as you made them, accepted by the Department?—A. Not as a whole. I received a portion on the basis of \$900,000 for the whole. I did not get the entire contract at \$900,000, but only a portion at that rate.

Q. Did you ever make any other proposals except those two?—A. Have proposed since to do the work of other contractors at their prices, should they fail to do it.

Q. Then neither of your proposals, as you made them, was accepted by the Department, was it?—A. Not entire—only as above; they seldom are. In bidding on contracts, they are frequently divided; the best interest of the Government is generally consulted. It was certainly so in this case, in my judgment.

Q. Was there any reservation in the notice by the Department in which the Government reserved the right to accept part of any bid and exclude part of any bid?—A. I have bid on several contracts, and never bid on any, except with the understanding that the Government reserved the right to reject any or all bids.

Q. Then the fact of this case is, that none of the proposals made by any of the bidders were accepted to the extent the proposals covered?—A. Except in the case of blocks. Mr. Sage received the contract for all the blocks, at \$2.42.

By the CHAIRMAN:

Q. What, if anything, induced the giving to you of one-third of the slabs at a price of \$25,000 more than the one-third that was given to Jones?—A. I would not be able to answer any more than I have heretofore. I know of none, except what I have given, and that is merely hearsay.

Q. They were required to perform the work in the same manner that you were, were they not?—A. The contracts were precisely alike.

Q. And you were given the same amount of work?—A. No, sir; I have stated one-third. It was substantially, that I received about 48,000, and they received about 49,000 each. It was impossible to divide it exactly.

By Mr. GLOVER:

Q. You bid upon fifty-six cemeteries at different prices per slab at these different cemeteries. By averaging the prices of all, I find the average prices was \$4.91¹⁴/₁₀₀. The price at which you were awarded the contract was \$3.56. What induced you to reduce your price per slab \$1.35 each in your bid of \$900,000?—A. I did not reduce that amount; it was reduced by the proposition. In bidding on the separate cemeteries in the manner in which I did, I was not aware but what a portion might be awarded to me. I might have been lower in some instances than other bidders, and I might have a few cemeteries awarded to me, and might get those that would be very expensive to reach, but in bidding for the whole work, I could average that, and do it for very much less by making one round bid for the whole amount. I had the same principle in my mind at the time as to the freights—that I could get better rates of freight if I had a large amount of freight to carry than if I had a small amount. That was my reason for bidding much less on the total amount than I would on a few of the cemeteries.

By Mr. STRAIT:

Q. Why do you say that it was for the best interests of the Government to divide this work and give you a portion of it, and these other two gentlemen, Morgan and Jones, another portion of it, when the bids of either of these gentlemen were forty-odd thousand dollars less than yours?—A. In making that remark it was in reference to giving Mr. Sage the blocks at his price, viz, \$2.42, and the slabs at another price instead of giving the slabs and blocks to Mr. Jones. The question was asked by the gentleman, "Why did not Mr. Jones get them all?" If the entire contract had been awarded to Jones at his price, viz, \$3.39 each for slabs and blocks, the amount would have been about \$860,000; but by giving Sage the blocks at \$2.42 each, and awarding the slabs as it was done, the awards amounted to \$763,967.11, saving to Government \$96,000.

Q. You say that it was for the best interests of the Government to divide this work between you three?—A. You understand me. If the contract had been awarded to Jones at \$3.39 for slabs and blocks, it would have been less than Sage's bid at \$5 for slabs and \$2.42 for blocks, but by giving Sage all the blocks at \$2.42 and the slabs as awarded, it was a saving to the Government of about \$94,000.

By Mr. HURLBUT:

Q. Please state in what way you arrived at the price of \$3.56 for your head-stones.—

A. By dividing the \$900,000 bid for the whole work by the total number of head-stones, slabs, and blocks, namely, 253,088. By reference to my copy-books, memorandums, and papers, could perhaps refresh my memory on some points. But have testified to the best of my recollection without such reference.

WASHINGTON, D. C., *March 23, 1876.*

CHARLES F. BENJAMIN sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. I reside in Washington; I am chief clerk of the Southern Claims Commission, and was formerly a clerk in the office of the Secretary of War.

Q. What, if anything, do you know of the matter of the letting of the contract to furnish soldiers' gravestones?—A. I know that in 1872 an act of Congress was passed requiring the Secretary of War to do certain things in that direction, and at about the time the proposals that had been invited under that act were to be opened, a gentleman from New York, 429 West Fourteenth street, named John A. Eagleson, of the firm of Eagleson & DeVeau, called on me with a letter of introduction from Colonel Kilburn Knox, an ex-officer of the Army, who had been on duty in the War Department at the time I was there. He told me that he was a bidder or an intending bidder on this contract, and did not know anybody here, and had been told by Colonel Knox that I probably knew all the officers that were connected with this matter, and might be able to give him information. I told him I should be very happy to do so, and gave him simply information that I had heard, as for instance, the preferences for different kinds of stone, and so on. I did nothing of consequence for him at that time. The bids were opened, and on account of an insufficiency of appropriation, and also of certain imperfections in the law, nothing was done about it, and the matter ended for that time. The next year Congress passed another law, and proposals were again invited. Mr. Eagleson and his partner, Mr. DeVeau, had been here several times in the interim on their way to and from the South, where they had a large business with marble-dealers there, and generally stopped in to see me. They desired to go into the bids the second time. There seemed to have been a great deal of gossip in the mean time, and they were in doubt as to the sincerity of this thing. They told me that they had spent a great deal of money to get information on which to make their former bids; that they had to write to all the transportation companies in the country and spend money to get friends to go and get information about the location of the cemeteries, and so on, and they were not disposed to go into it a second time unless there was going to be a contract given, nor unless it was going to be given out fairly. I told them that, so far as General Meigs was concerned, I was satisfied that it would be fairly done, and that, as I was quite intimate with the Secretary of War, I would go and see him, and tell him frankly just how they felt about this thing, that they would like to go into it, but wanted to be assured that it was going to be a fair thing. I went up and saw General Belknap, and told him that these parties were friends of mine, (which they were, for I had got to be intimate with them in the mean time;) that they had control of a stone that had been very largely used for cemetery purposes; that it was not a mere experiment, as nine-tenths of the stones offered were, and that their facilities were such that they felt that if the contract was fairly given out they could

get a part of it; and that they wanted me to find out about it, and I told him I knew it was rather a delicate question to answer, but that he and I were friends, and he probably knew whether the law was so framed that there would be a contract, and I felt satisfied, or least I supposed, so far as he was concerned, it would be altogether fair. He said, "Yes; you know what the law is, and I intend to comply with the law. If your friends put in the lowest bid and furnish good stone, they will get the contract; if anybody else does the same they will get it." I said, "That is all I want to know." Then I stepped into the adjoining room where Colonel Mack, who was then inspector of cemeteries, was. He was an old acquaintance of mine in the War Department, and I repeated about the same thing to him, and talked to him generally about the subject, and saw that his preference was for either marble or granite; that he did not consider any of the other stones desirable for cemeterial use. That was the general opinion among them all, and I either told my friends or wrote them (I cannot remember which, they were here so much) that I thought they might go ahead; told them what General Belknap had told me; that he was going to give out the contract, and that the lowest bidder who complied with the conditions of the law should have it. I also told them that the preference at Washington was decidedly for marble or granite, and that I did not think any other stone would be considered, and I also told them, what I had heard in talking about the thing with various people, that I did not believe any contract would be given out for Italian marble, because there seemed to be an idea that it would offend public sentiment, no matter how cheap it might be furnished; that the people wanted American marble put over their soldiers' graves; which was all in their interest, as they were handling American marble. I then suggested that, as the choice seemed to lie between granite and marble, they should get together all the reliable information they could as to the preference for marble over granite and send it to me, and I would make it into a sort of pamphlet for them, which they could address to the Secretary of War, and also use as a sort of advertisement. They liked the idea very much, and I drew up a letter of inquiry which they sent out to dealers, and from that I made up a pamphlet addressed to the Secretary of War. I have a copy of it here, and will leave it with the committee. I gave a copy to General Belknap, and he told me some time subsequent that he had read it, and Colonel Mack was also pleased, and said it contained a good deal of information. Then the time came near when the bids were to be opened. My two friends were both here and found that there was a great deal of gossip going on, I could not begin to repeat one-tenth of it—all sorts of things, and as they were not used to transacting business at Washington, they were more or less affected by the talk they heard about the Ebbitt House and other hotels of this or that combination and what this man said, and what that man said, and I tried to re-enforce their confidence. Said I, "If General Meigs has the disposition of this, and I don't see how they can take it out of his hands, it is all going to be done with fairness, and as for General Belknap, I believe he will be as fair as the other." Said I, "I don't expect that there is going to be any jobbery." What they feared was that there was to be jobbery and political influence, bribery, and all sorts of things of that kind. About a couple of days before the bids were opened one of them came to me and said that he had been over to Baltimore the night before on the New York train, and on the train he saw the Secretary of War and a man named Bridges, who, he was told, was from Keokuk, and he said some stone-men had said that Bridges was on here with reference to this contract. I said, "I don't think that can be. Why, Bridges is a jeweler at Keokuk; he has got nothing to do with the stone business. I remember seeing a store of his a year or two ago when I was out there, and I have seen his advertisement in the papers of Keokuk; he is probably a friend of the Secretary's; if he is the only person you are afraid of you need not mind him." So the thing dropped for a moment, but he came to me again about Bridges. I said, "I have been in the War Department a long time, and I never knew a contract to be given out except to a man in the business, and with all these stone-men, with their Senators and Congressmen to work for them, I do not think there is any fear of that." The bids were opened, and my friends took notes of all the bids as they were opened. They then went away. It took some time to make up the schedules in the Quartermaster-General's Office, and I used to drop in (I knew everybody there) to find out how they were getting along with making up the list to go to the War Department, and they would tell me how it was progressing. Finally, it went up, and my friends got alarmed; they told me that they were sure there was something going on that was wrong; and then they went on to tell me that, at the prices and with the kind of stone they wanted to put in, (the samples were there,) there was really no profit in the contract, but that they were anxious to get it or as much of it as they could, because it would help their standing as business men. I said to them, "If you are very anxious to get it, and you are afraid that some sinister influence is at work, I will tell you what I would do if I were you." Said I, "I don't want you to do it, but I will tell it to you, and you can do so if you please. There is a man here who is very intimate with the Secretary of War, and I think his business is really getting matters through the War Department. His name is General E. W. Rice. I know General Rice per-

sonally, and if you would like to employ him—I do not advise you to do it, I do not know that it will do any good, I don't like to give that kind of advice any way—but you want to get the contract, or at least to be on a footing with everybody else, and if you think well of it, after a talk with your partner, (I do not know which one was here at that time,) I will go and find out from General Rice whether he is interested in this matter in any way, and if he is not I will ask him to take charge of your case and advocate it before the War Department.” So they concluded that they would get me to do it. I went to Mr. Rice, and I asked him if he had any interest of any sort in this head-stone contract then pending. He said, “None in the world,” and I answered, “I am very glad to hear it, because some friends of mine in New York who are bidders on this thing, and who, I am satisfied in my own mind, have got the best bid, taking prices and materials together, are very anxious to get the contract, and they think some influence is wanted, and they would like to have you take charge of their business for them and do whatever you properly can.” He said he should be very happy to, and he asked me what their names were, what quarry the stone was from; I told him the West Rutland Quarries, and he mentioned that he had lately been up there on a visit when he was off summering, and that it was a very interesting place, and he showed me some photographs he had of it. I went over the matter very fully, telling him that this stone was known generally as the cemeterial stone, that it was quarried expressly for cemeterial purposes, and that it was not an untried thing. I think he took a memorandum, and he told me he would see what could be done about it. I saw him a few days afterward and he told me that he had made some inquiries—he gave me to understand that he had done something, and then he asked me what these parties were prepared to pay in the way of a fee for his services. I told him I did not know, but I would find out. I told them of this, I do not know whether verbally or by letter, and that led them into figuring what would be the maximum cost, supposing they got the contract, and if I recollect right, they found out that the maximum profit, supposing they met with no delays or disasters, would not be over \$8,000 on the whole contract. So they said to me, “You see, Benjamin, we cannot give much, there is no margin here; if we get this contract all the profits that we get out of it will be the help to our standing as business men,” and they told me that they were willing to pay Mr. Rice \$5,000 for his services if the contract was awarded to them. I went to Mr. Rice and I told him that, and he said that it was no kind of a consideration at all; that here was a contract involving a million dollars; that a great many people were after it, and it was a big thing financially and in a business point of view, and that it would require a great deal of influence and a great deal of hard work, and \$5,000 was no kind of consideration and he would not listen to it. I asked him what he would listen to, and he did not say exactly, but he said that \$5,000 was not worth beginning to talk about. Knowing that my friends had not any more margin than the \$3,000, I told them of this and they dropped the thing. The next I heard was, I went over in the Quartermaster-General's Office and somebody told me that the contract had been given out to Bridges, the Keokuk man. Said I, “Who gave it to him, the Quartermaster-General?” He said, “No; it was done up at the War Department.” I said “Bridges is not a stoneman, he is a jeweler.” I thought at first it was a mistake; I did not believe it at the time; and then I went to a gentleman from Keokuk and asked him if Bridges was a quarry-man, or knew anything about quarries or stone, and he said “No.” Said I, “He has got the contract for those head-stones.” He smiled, and there the thing ended. Eagleson and DeVeau came along from time to time, on their way to visit their customers in the South. I had in the mean time heard that a man named Thomas P. Morgan, who had been some sort of a trader here and failed, had got part of that contract, and also a man named Jones, who had been an Indian trader. On one of their visits to Washington my friends told me that these parties had been to see them and various other marble-men, and that they were trying to find out the cheapest kind of stone they could get. Said I, “That sort of thing won't do. If they have got the contract they must have to furnish the particular kind of stone they bid on.” Said he, “Their contract calls for marble, and now they are trying to get the cheapest thing they can to put in under that name.” I said, “It looks to me very much like a job, and if I were you, after spending all this money in getting the matter up, I would get some of my friends to have this thing looked into.” They said they did not know how they were going to make it pay to do that, that it did look like a job, but they did not propose to fight the Government; so the thing dropped. From that time when they would come on, on their way to the South, they seemed to have kept well posted about it, and they would tell me that the contract had been modified, that they had reduced the size of the stones, reduced the depth of the lettering, and reduced the thickness of the stone; and by that time I came to the conclusion that somebody was being swindled. Really that is about all I know of it. When these gentlemen drew up their bid, I helped them to put it in proper shape, and I think I took my friend around to the Quartermaster-General and introduced him, and he left his bid there in a sealed envelope.

Q. Do you know of any samples being there from Bridges before the opening of the bids?—A. I don't think there were any samples there from Mr. Bridges. My recollection

is that we went around to see, after my friends had told me that Mr. Bridges was with the Secretary of War, and that we saw none. I cannot say how long it was before the opening; it may have been one or two mornings, or it may have been the very same morning, because they did not come on until the bids were about ready to be opened. There was one young man, Mr. Meyers, who had charge of the samples. He has since been employed in the board of audit here. He used to show me every new sample that came in as a matter of curiosity, and some of them we had a good laugh at.

By Mr. STRAIT :

Q. Do you know the amount of these gentlemen's bids?—A. It was something within \$1,000,000.

Q. You do not know just the amount?—A. No; my recollection is that it came somewhere about \$800,000 or \$900,000; it may have been over that or under it.

Q. Do you know in fact whether there were not bids lower than theirs?—A. That I do not remember. It has passed out of my memory. I have never had it recalled from that time to this. I was confident of their success, not so much on their being the lowest bidder, as on the ground that the stone they offered, and the price taken together, if within the \$1,000,000, would carry the contract. The stone was a very handsome one.

Q. But you don't know whether they were the lowest bidder or not?—A. No, sir; I do not. I know there was a schedule of the bids drawn up in the Quartermaster-General's Office, which would show.

Q. They must have notified you, or you must have had some conversation with them, as to whether their bid was the lowest or not?—A. I remember that after the bids were opened they came and sat down at my table and looked over the list, and probably at that time I did know that they were not the lowest bidders. My impression is that they were not; but I know they were within the \$1,000,000.

By Mr. TERRY :

Q. Have you ever seen the marble that is being used by Bridges?—A. No, sir; I never have. My friends, on one or two occasions when they have stopped to see me, have spoken disparagingly of it.

Q. You are not able to compare it with the marble that these gentlemen were to furnish?—A. No, sir; I have never seen it. I was told the other day that some of the stones were here in the city now being inscribed. As late as Monday morning last they were on a vacant lot on Rhode Island avenue, that a friend of mine owns, and he told me he was going to build there and that he had notified them to take them off. Said I, "They are investigating these things now, and you ought to tell somebody." They were cutting for some place in Texas, I understood. I am not positive that \$8,000 was the margin of profit my friends figured out on the whole contract, nor that \$5,000 was the fee tendered General Rice. The margin may have been more and the fee less, but those are the sums that suggested themselves to my memory in testifying on those points, and I think them right because they did so come into my mind. I now distinctly remember going to the lower room in the Quartermaster-General's Office, where the stones were on exhibition, and from the crowd gathering about the place, I feel confident it must have been the very morning the bids were opened, and before the opening. I remember some samples had just come in and were being opened by the laborers, and somebody was remarking about their being nearly too late. There were two or three boxes, I think, and I did not stay long enough to see them set up. If any of these were the samples of Mr. Bridges, that would account for my not seeing them. Again, I think a few of the samples were not so marked as to show the names of the bidders, but only marked to connect them with the samples. There were very few of these, however, if any.

WASHINGTON, March 24, 1876.

GEORGE A. MEYER sworn and examined.

By the CHAIRMAN :

Question. Where do you reside?—Answer. 820 Twentieth street Washington.

Q. What is your business?—A. I am a clerk in the auditor's office of the District of Columbia.

Q. What, if anything, do you know of the grave-stone contract, so called?—A. I do not know anything of the grave-stone contract whatever. I know the preparatory steps that led to the contract, but I was removed from the office that I held as clerk in charge of national cemeteries about ten days before the bids were opened.

Q. Why were you removed?—A. A new officer had been appointed over me, and he found some fault with the company I was seeking. I had been seen in a restaurant with a contractor for stone walls for cemeteries, and he positively forbade me having

any acquaintance with any contractors whatever, which I resented, telling him I should choose my own company. He reported me to the Quartermaster-General for dismissal; but General Meigs preferred to transfer me to another branch, I having been in charge of the national cemeteries from 1866 to 1873.

Q. Do you know the parties to whom the contract or any part of it was let?—A. I only know one of the parties personally, Thomas P. Morgan. I have heard the names of others.

Q. Have you any personal acquaintance with any of the inspectors of grave-stones?—A. I know Mr. George D. Chenoweth. I came in contact with Mr. Robins and Mr. Clark while they were preparing themselves to go out as engineers.

Q. What, if anything, do you know of the bad conduct of these inspectors?—A. I know that Mr. Chenoweth received from Mr. John C. Comfort a gold watch.

Q. What Comfort—a contractor?—A. Yes, sir; he was a contractor for stone walls. That watch was received as a loan for ninety-nine years. I know that he, Chenoweth, attempted to borrow money from Mr. Comfort, and that Chenoweth had Comfort pay his hotel bill for him at Richmond, Va., and at Fort Monroe, Old Point Comfort.

Q. State the circumstances about the watch, as you remember them; where they occurred, and all you know about the matter.—A. I was present in a room at the Metropolitan Hotel, in this city, when Mr. Comfort came in with the watch. It was in Mr. Comfort's room. He went out of the room, came back some time after, and threw a box over to Mr. Chenoweth, telling him he would make him a loan of it for ninety-nine years. On opening the box it was found to contain a gold watch; Mr. Chenoweth accepted it. I afterward asked Comfort where he bought it. He told me at a jeweler's under the Metropolitan Hotel. Mr. Chenoweth carried the watch for quite a length of time afterward. And Mr. Comfort afterward called my attention to the fact that Chenoweth had brought it back to the jeweler's where it was bought, and that it was there then. Mr. Comfort and I called at the jewelry store, and I asked if the watch was there. It was there; and the jeweler said Chenoweth would probably not take it back because it had been smashed up, and the expense was some eighteen dollars. I do not think he has taken it out since, although I do not know.

Q. State what you know, if anything, about these circumstances having come to the knowledge of the officers in charge of cemeteries?—A. I saw a copy of a report made by Mr. Comfort in regard to the matter, but I do not know, of my own knowledge, that anything was done in regard to it.

Q. Is Mr. Chenoweth still an inspector?—A. I believe so. I understand that he has been transferred West within a few days.

Q. State what you know, if anything, of Mr. Chenoweth having inspected the work of Mr. Comfort, the man who presented him with the watch.—A. It was one of his duties to inspect Comfort's work.

Q. What were the circumstances under which Mr. Comfort paid Mr. Chenoweth's hotel bill?—A. Mr. Chenoweth had been sent over there to inspect certain work that had been done at the national cemeteries around Richmond, Va., and had prepared his reports. Mr. Comfort was anxious to leave Richmond and have him go to Fortress Monroe, where the officer paying the certificates was stationed; but Mr. Chenoweth was not in any hurry to go away, and said he had no money to get away with, but if he would pay the hotel bills he would go that night. Mr. Comfort then paid the bills.

By Mr. GLOVER:

Q. Have you given a history of the head-stone business so far as you know it? If not, commence and give an outline of your knowledge of the business.—A. If you will allow me to refresh myself by referring to one of the first reports made on the subject I will do so. The first mention of head-stones was in the act of February 22, 1867, prescribing that an iron or stone head-stone should be placed over the graves of deceased Union soldiers. An appropriation was made in that act of \$750,000, which, however, was expended without any head-stones being erected, any walls built, or any lodges built. In November, 1867, proposals were advertised for the erection of iron head-blocks according to a pattern adopted by the Quartermaster-General. Bids came in to the number, if I am not mistaken, of 115. The lowest bid was for \$1.16 and a fraction over, from Messrs. Strong & Donohoe, of this city; but the contract was not awarded, and a suit was instituted in the Court of Claims against the United States, in which the contractors failed. In 1872 General Stoughton introduced a bill in the House of Representatives for the erection of soldiers' head-stones, and a provision was made appropriating \$200,000 for that purpose. That was afterward changed by the appropriation act of June 10, or June 22, 1872. That was the Army appropriation bill. A clause was introduced appropriating \$1,000,000 for marble or granite head-stones. Bids were then solicited for such stones, without any design or without any specification being prepared. A great number of bids were received, and a great number of samples also were received of various patterns; so many that the Secretary of War and Quartermaster-General could not decide upon which to adopt. No contract was therefore awarded. Preparations were then made for having bids according to a specified design and specification. Designs were prepared and forwarded to the

Quartermaster-General with specifications. Proposals were advertised for bids, and within ten days before the opening of the bids I was removed from the office. I know nothing since that except from hearsay. I remained in the office until the 1st of July, 1874, when I was summarily discharged by the Secretary of War, who declined to various members of Congress to assign any reason except that he did not want me.

By Mr. STRAIT:

Q. What is your business now?—A. I am a clerk in the office of the auditor of the District of Columbia. I am not in the service of the Government at all.

Q. Do you know whether Mr. Chenoweth ever returned the money, or was expected to return the money, that was paid for his board?—A. I do not.

Q. Did you ever have any conversation with Mr. Chenoweth in regard to this watch? Did he ever tell you that he had returned it?—A. I asked him on one occasion whether he was going to get his watch back, and he said yes, that it was only there for repairs.

Q. Do you know whether or not he has ever got it back?—A. I do not. The last time I was in the store it was there still. That was some two months ago.

By Mr. TERRY:

Q. When was this watch given to him?—A. Some time in June or July, 1873.

By Mr. STRAIT:

Q. The watch has been there some two or three years?—A. It has been there now some eighteen months or two years.

Q. Do you know whether or not there was ever any money paid to Chenoweth, or any other consideration, beside the watch and this board-bill that you speak of as having been paid for him?—A. No, sir; I do not.

By Mr. TERRY:

Q. Have you any knowledge at all of any of the proceedings connected with the contracts, or the execution of the contracts, for the purpose of putting up these stones?—A. No, sir.

By Mr. STRAIT:

Q. Do you know whether the attention of the Department officers—General Belknap, or any other officers—was ever called to the fact of this man's receiving the watch?—A. Nothing, except having seen a copy of the charges made by Mr. Comfort against Mr. Chenoweth.

By Mr. TERRY:

Q. What do you mean by a copy of the charges?—A. He had prepared a letter and kept a press-copy. It was a very long letter, in which he stated all his grievances, and complained about the manner in which he had been treated by Mr. Chenoweth, and incidentally spoke about the watch.

Q. About having given him a watch?—A. About having given him a watch and having paid his board-bill.

By Mr. STRAIT:

Q. Who was that letter addressed to?—A. It was directed to W. W. Belknap, Secretary of War.

Q. Is Chenoweth still in the service of the Government as an inspector?—A. So I believe.

Q. Do you know whether those charges were ever investigated or not?—A. I do not, except by hearsay.

By Mr. TERRY:

Q. About what time was that letter preferring charges against Mr. Chenoweth written?—A. It was some time about the spring of 1874, or perhaps the summer of 1874. It was before I was finally discharged from the Quartermaster-General's Office.

Q. This watch was still at the jeweler's in the name of Chenoweth after that letter was written?—A. Yes, sir; the jeweler declined to deliver the watch to Mr. Comfort, because it was in the name of Mr. Chenoweth.

Q. It was still held as the property of Chenoweth?—A. Yes, sir.

By Mr. STRAIT:

Q. Do you know of any other inspector who received any gifts in any way?—A. No, sir; I wish the committee to understand that, while I am testifying against Mr. Chenoweth, I have always held very friendly relations with him, and do still.

Q. Have you ever had any conversation with him in regard to the matter of this watch and the payment of his board-bill?—A. None, except what I have detailed.

By Mr. GLOVER :

Q. Do you know anything about the origin of the pattern for these head-stones, their style, and so forth?—A. It is impressed upon my mind that the design was prepared upon a large sheet of brown paper by a certain firm of the name of Bridges & Richardson.

Q. How did you arrive at that information or impression?—A. It is simply memory on my part. The designs are still, or should still be, in the Office of the Quartermaster-General.

Q. About what time, according to your recollection, did the matter come to your knowledge?—A. That would have been in July, 1873.

Q. Did the pattern or patterns come directly to the Quartermaster-General's Office, or from the War Department to the Quartermaster-General's Office?—A. The designs, not the patterns, came from the Secretary of War to the Quartermaster-General's Office. I believe a pattern was made in this city; and, if I am not much mistaken, it was made by a man named Middleton.

Q. Do you know at whose expense these stones are now being set up, whether by the contractor, or at the expense of the Government—I mean as to their being set in the ground at the cemeteries?—A. The specifications call for the stones being set in the ground; but I was told this morning, by one of the examiners of money-accounts in the Quartermaster-General's Office, that a great deal of the money out of the appropriation for head-stones was being paid to clerks, and agents, and laborers setting the stones. I started at that, and asked him if he was certain that it was paid to laborers, knowing, as I did, that the specifications expressly called for the stones set in the ground. He said he was very sure that a great deal of money was eaten up in that way.

Q. State the name of the clerk who gave you that information.—A. J. S. Franklin.

By Mr. TERRY :

Q. Do you mean to say that whatever money was paid, as you have just been speaking of, is over and above the amount agreed to be paid upon the laying of these head-stones, in this contract of Bridges and others?—A. I mean to say that it is taken out of that \$1,000,000—paid by the Government officers directly. That is my understanding of it. I do not know it of my own knowledge.

By Mr. STRAIT :

Q. Where can that clerk be found?—A. He is a clerk in the Quartermaster-General's Office.

By Mr. GLOVER :

Q. State whether the clerical labor of keeping the accounts of this head-stone business is performed by clerks of the Quartermaster's Department, or by clerks appointed for this purpose.—A. Not by clerks of the Quartermaster-General's Office, but by clerks in the Quartermaster's Department, appointed by the officers in charge. While the civil-service rules existed, they were not required to pass any examination, but were simply appointed and took their places.

Q. Could that labor, from your knowledge of the clerical force of the Quartermaster-General's Office, be performed by the regular corps of clerks there?—Q. It has been done before, and I think it could be done now.

Q. Do you know how many newly-appointed clerks there are for this head-stone business?—A. I am not positive. I have understood that there are three chief clerks, one chief clerk of correspondence, one financial chief clerk, and one chief clerk of records, and that there are six civil engineers and nine clerks. I have looked at the register for 1876, under the name of Captain Rockwell, and also looked through the whole Quartermaster's Department records, and I do not find any of the engineers reported in the register. I find these three chief clerks, and, I believe, six other clerks. I find the names of clerks employed by Captain A. F. Rockwell: Charles E. Fishers, \$150 per month; Walter Woolcott, \$150 per month; John G. Washburn, \$150 per month; O. M. Rosser, \$125 per month; C. E. Miller, \$125 per month; W. E. Prescott, \$100 per month; C. Hellyer, \$100 per month; T. W. Hughes, \$100 per month; J. C. Devantier, \$85 per month. That makes nine clerks. Not one of the engineers' names appears upon the books.

Q. How many engineers did you say there were?—A. Six.

Q. They are all selected from civil life?—A. Yes, sir.

Q. How do the salaries of the clerks in this service compare with those in the Quartermaster-General's Office?—A. They are naturally higher, because they are not governed by law.

By Mr. TERRY :

Q. Out of what fund are they paid?—A. A portion are paid out of the appropriation for head-stones; some are paid out of the fund for contingent or incidental expenses of the Quartermaster-General's Department, and part are paid out of the appropriation for national cemeteries.

By Mr. GLOVER:

Q. When you were in charge as the principal clerk of that service, what was your salary per month?—A. \$116.66 per month, or \$1,400 per annum. When I first came in there were several clerks, but during the last years, from 1869 to 1873, there was only one clerk and one messenger beside myself.

Q. What did the messenger get?—A. He received \$60, and the clerk received \$100, per month.

By Mr. TERRY:

Q. Did you perform all the duties there that are now performed by these clerks?—A. I cannot say what additional duties have been added to the office. The other clerk, myself, and the messenger performed all the duties pertaining to the cemeteries. It was part then of the Quartermaster-General's Office.

By Mr. GLOVER:

Q. What are the duties which are performed in that office in relation to this cemetery business?—A. I cannot say what the duties are now. I can tell you what they were. They were the general supervision and maintenance of cemeteries, looking over all the expenditures of money, directing all repairs, the erection of new buildings, walls, grading, sewers, drainage, planting, &c.

Q. That has all been completed, has it?—A. I think not.

Q. Do you know what the salary of these engineers was?—A. One receives \$300 per month and his expenses, too. The others receive \$150 per month and expenses paid.

Q. Who has charge of that work now?—A. Capt. A. F. Rockwell.

Q. Has Captain McGonnigle anything to do with it?—A. No, sir; he was there previous to the time Captain Rockwell was there. He is not there now; he is stationed at New Orleans.

Q. When was Captain McGonnigle relieved?—A. I have no recollection. It was since the contract for head-stones was let out a considerable time. I think he was relieved about the 1st of January, 1875. I am not positive of that, however.

By Mr. GLOVER:

Q. Do you think there was any economy in turning out the clerks who had intimate acquaintance with this business, at a salary of \$1,200 and \$1,400 a year, and the appointment of new clerks without any experience at \$1,800 a year?—A. It is very natural that I should not think so. My own interests were affected by the change.

By Mr. TERRY:

Q. Did you perform your duty faithfully as a clerk?—A. Yes, sir.

Q. Was there any reason for discharging you?—A. None whatever, that I know of. I received a letter from General Meigs after I left saying that I was a very competent clerk.

By Mr. STRAIT:

Q. What is the name of this officer receiving \$3,600 a year?—A. A Mr. Galt; I am not positive as to his first name.

Mr. TERRY. As I asked you in regard to the faithful performance of your duties, it might perhaps be proper for me to enter with the testimony the conclusion of the report of Charles William Folsom, brevet colonel and assistant quartermaster of volunteers, in charge of cemeteries. It is as follows, [reading from the Report of the Quartermaster-General of 1868:]

"In concluding this report I would respectfully bear cordial testimony to the value of the services of the gentlemen who have been connected with this branch as clerks, particularly those of Mr. George A. Meyer, whose methodical habits and clear and intelligent head have kept the work and files of the branch in excellent condition, and to whose industry this report owes much of its value."

By Mr. GLOVER:

Q. Has the administration of this cemetery and head-stone business remained all the time under the control of the Quartermaster-General?—A. I believe it has, for the reason that the officer in charge is a captain and assistant quartermaster, and consequently always under the charge of the Quartermaster-General.

Q. Has it been in the Quartermaster's building all of the time?—A. No, sir.

Q. Do you know of any reason why it was removed from there?—A. In the legislative, executive, and judicial appropriation act of 1874, a clause was inserted prohibiting the Secretary of War from employing in any part of his office in the city of Washington any clerks for whom no specific appropriation had been made by that act. It was changed in the Senate, allowing him to retain the general-service men. Under the provisions of that clause the so-called quartermaster's clerks could not be retained in the office of the Quartermaster-General. It was then suggested to remove the office of national cemeteries to Alexandria, or Arlington, or to consider it part of the post of

Washington, and the latter proposition was finally adopted. On the 1st of July, 1874, at the commencement of the new fiscal year, the cemeterial branch, then so called, was removed from the building corner of Fifteenth and G streets to a building vacated by some of the clerks of the Adjutant-General's Office, at the corner of Seventeenth street and Pennsylvania avenue, where it remained until the removal of the Quartermaster-General's Office from the corner of Fifteenth and G streets to the corner of Fifteenth and Pennsylvania avenue. They are now in the same building with the Quartermaster-General's Office, and known as "Office National Cemeteries, War Department."

Q. That is the Randall building?—A. Yes, sir.

Q. Do you know what induced the removal of the Quartermaster-General's Office from the Riggs building to the Randall building?—A. No, sir; I do not.

Q. What is your knowledge of the capacity of the Riggs building for the accommodation of the Quartermaster-General's Office?—A. When the clerical force was larger than it is now there was plenty of accommodation, and there was one story that had never been used. When I left the office on the 1st of July, 1874, there were two entire floors unoccupied in the building, that is, unoccupied by clerks; they may have been used as lumber or store rooms.

Q. They all could have been adapted for office purposes?—A. One floor had been. The cemeterial branch itself was on one of those upper floors at one time, but was moved down.

Q. Which is the larger building of the two—the Riggs building or the Randall building?—A. I am not an expert, but I should judge the Riggs building was the larger; and the clerks tell me that they are very much cramped for room in the new building.

Q. Have you any means of knowing in how many of these cemeteries head-stones are being erected at any one time?—A. No, sir.

Q. Have you any means of knowing how many engineers are necessary to inspect these head-stones?—A. No, sir.

Q. Do you know whether all these head-stones and blocks are prepared in the same quarry?—A. I do not.

Q. Have you any knowledge as to whether there has been any change in the kind of marble or material, which is now used in the head-stones, from that which was at first used?—A. Nothing but what I have heard.

Q. What have you heard on that subject?—A. I have heard that the specifications were changed—that a change was made in the depth of the incision on the stones, and that different kinds of marble were being used. I had a conversation with one of the contractors, Mr. Morgan, who afterward sold out to Mr. Bridges. He told me that his first lot of head-stones were made at the Brandon quarry, in Vermont, of good white marble. The inspector or engineer who was sent up to inspect them pronounced them good, and they were accepted, and paid for. The next lot was from a quarry at Dover, New York; they were, as he described it, "as white as the marble slab of this mantel," and they were accepted. The third lot were from the same quarry, and of the same material, equally good with the first, as he stated. They were for the cemetery at Barrancas, Florida. They were rejected as a whole. He then turned around and sold out his contract to Mr. Bridges, and with his contract, as a part of the bargain, he sold the rejected stones. I said to him, "How did Mr. Bridges get those stones accepted?" He said, "That is his business and none of mine."

By Mr. TERRY:

Q. Is it a fact that Mr. Bridges did get those stones accepted?—A. All I know is what Mr. Morgan told me about it.

WASHINGTON, D. C., March 27, 1876.

WILLIAM PATRICK, sworn and examined, testified:

I reside in Saint Louis, Mo. My business has been, for the last thirty years, lumber-merchant. At present it is running a marble quarry. Stone-cutting was my first business. I served my time, and worked journey-work for a time in my early days.

By the CHAIRMAN:

Question. State what connection you had with, and what you know, if anything, concerning the letting of the contract to furnish slabs and blocks for the soldiers' graves in national cemeteries by the Quartermaster's Department.—Answer. In 1873, along about July, I obtained blanks from the Quartermaster's Department, and I went to work to get up the freights to the different cemeteries and to get up estimates on the manufacturing of the stone, the lettering, &c., and on the 6th or 7th of September the letting was, and I was among others that bid. I put in three bids, all on blanks furnished me by the Department. I think the bids were in duplicate; I cannot say with

certainty. My first bid was a bid for all the cemeteries of the United States at \$2.65 for the "unknown" and \$3.50 for the "known;" amounting in the aggregate to about \$797,000, a few hundreds over that. My second bid was a bid for all the national cemeteries of the United States, at various prices for each cemetery, running from, probably, \$2.50 for those close by Knoxville up to \$10, perhaps, for the furthest off; which amounted to a little more money, probably \$800,000. I did not rely much on that bid, and did not add it up. My third bid, and the one I wished to have accepted, was a bid for the cemeteries in the Southern and Middle States, surrounding my quarry. I think I bid for those \$2.60 for the "unknown" and \$3.40 for the "known." I furnished a specimen of my marble, specimens of the "unknown" and of the "known," and furnished the Secretary with a letter I had received from Mr. Mullett, the Supervising Architect of the Treasury, as to the quality of marble, of which I furnish the committee a copy. It is as follows:

"TREASURY DEPARTMENT, OFFICE SUPERVISING ARCHITECT,
"April 15, 1873.

"DEAR SIR: Yours of the 13th, asking my opinion of the white Tennessee marble used in the construction of the United States court-house and post-office at Knoxville, Tenn., is received.

In reply I have to say that it is, in my opinion, unsurpassed in beauty and durability by any marble now in use in this country.

"Very respectfully,

"A. B. MULLETT,
"Supervising Architect.

"Capt. W. PATRICK."

The bids were opened. First, General Meigs commenced to read them himself; he read a while, and after he got tired reading, after a half or three-quarters of an hour, (they were opened in the afternoon,) Captain McGonnigle took his place and read the bids. At the time of the reading of the bids there was something took place—a bid was handed in, by whom I do not know, and some gentleman that was sitting behind me got up and objected; said it was after the time; and he protested against any bids coming in. There were some few remarks about it, to the effect that it be admitted or not, just as they saw proper, afterward. Before we got through the bids Mr. Bridges' bid was read, and when it was read it was on a slip of paper, a letter. Some man, I think the same person, got up and objected again, and said it was not according to the due form. There was something said about that; that it should be referred to the general. It was the captain that was reading then. With those exceptions we got through very well. I was the lowest—admitted to be the lowest bidder by all the men that were there when my bid was read, and, indeed, when it was read a great many got up and left; said they had to take the train. It was getting late, and they left, nearly all those quarrymen. On Monday, I think it was, the committee was examining the samples. But few of us put in specimens; probably not over twenty; maybe not so many. I saw none from Mr. Bridges, and I looked particularly for it. Mr. Jones, of this city, wrote me a month before to know what I would furnish the rock for in a certain way—in the rough state, just sawed out. I wrote to him in reply, and Mr. Jones, before the bidding, said to me, "Here, I am bidding on your sample that you have put in. I want you to understand that. It will answer for mine, as I am bidding on your rock, and Mr. Morgan, who is bidding with me, will bid on your sample, too." That was before the bidding; and a couple of days afterward the committee went around among the samples, which were down-stairs, and they rejected all but three, as I was told. I was in the room there, but of course I did not follow them around nor hear what was said, but they ordered three of them up—namely, mine, an Italian one for Mr. Walsh, and a very handsome American marble from some other person. They ordered them put into the room, and they were carried immediately to the room, and the others were sent off.

I found out in conversation with Captain McGonnigle afterward that the white marble was above a million of dollars, and also that Mr. Walsh's was to be worked in Italy; and he gave it as his opinion that neither would be received, because one was above, and the other because it was to be worked in Italy.

I thought at the time of that conversation that my opportunity for supplying the marble was very good. A short time before the letting I called on Mr. Belknap for the first time, and presented a card of introduction from General Sherman; and we had some conversation about the work and the prices. I think it was the day before the letting. Mr. Belknap said that this work would all have to be done over again, because the appropriation, only a million of dollars, would not be sufficient, and the bidding would have to be done over after an additional appropriation was made. I told him that I would be glad to get the work, and would agree to do a good job and give satisfaction for less than the amount of the appropriation. He said that my proposition was too low entirely; but I told him I would agree to give satisfaction at my price, and that I hoped to get the contract. I showed him at the same time

some letters that I had brought with me from Saint Louis, showing my standing and capacity to perform the work if it should be awarded to me; all of which he pronounced entirely satisfactory. I called on him again as soon as he returned from New York. I went to inquire the condition of the bidding as soon as I knew he was at home. I asked him if they had not yet come to any decision about the work? He replied, looking over at the table, "No, there are all the papers yet." We sat down and had a little talk over the matter, and he requested me when I was leaving to call again toward the end of the week. I called at the end of the week, and he again remarked that he thought I had bid too low to give a good job. I told him I was willing to do the work and would make my job equal to the sample, and give full and good security for the performance of the contract, if it was awarded to me. We then had some talk about the time it would require to complete the work in. I told him I thought it would take about three years. He objected to its taking so long, and said it would have to be done in less than that time; that it had been on his hands for a long time, and he wanted to get done with it as soon as possible. I then said that by putting in additional machinery I could do the work in two years. But he said he thought that a year and a half was enough, and that he was unwilling to allow any longer time than that. I accepted that time, and agreed if the contract was awarded to me to do the work in that time, as I knew that the only difference would be in getting more machinery. We then parted, he saying that he had a telegram which required him to go to a sick child out West, and that he would be absent for three weeks, but as soon as he returned he wished me to come again on this business. I asked how I was to know when he was here, and he said that the papers would show it. I then went home and waited until I found by the papers that he had got back, and I came on at once. I got here, I think, on the morning of the 18th of October, and at the depot met Mr. Sage, who was there waiting for me. He helped me to carry my satchel up to the hotel, and remarked as we went along, "You have lost your contract." I said "No, I suppose not." He replied "Yes, the contracts have all been awarded." He told me then that Bridges got a part, Morgan got a part, Jones got a part, and he himself got a part, and some other man had got one cemetery at Fredericksburgh, I forget what his name was, making five in all. I said I thought it very strange that such should be the case after my conversation with the Secretary of War upon the subject. I went immediately and called upon the Secretary of War and asked why it had been done in that way. He said he had to refuse my bid, though he admitted that it was all right, because as he said "it was off color." It was not pure white, he said was the reason.

By Mr. THORNBURGH:

Q. Have you a specimen of that stone here with you?—A. No, sir; not with me, but it is whiter than that building. [Pointing to center of the east front of the Capitol.]

Q. What kind of marble is yours?—A. It is about four pounds heavier to the foot than Italian marble, a little harder to work than the Italian; and every place where it has been introduced it is said to be much more solid and uniform in its texture than the Italian. This is the uniform opinion of marble-men who have tested it.

Q. How does it stand pressure?—A. Mr. Mullett told me once, in conversation about it, that it would bear a lateral pressure of six times as much as common sandstone; and to crush it required ten times the pressure that was required to crush sandstone. This marble is stronger than any marble that I know of—than any American marble.

By Mr. TERRY:

Q. Is your marble extensively used in private cemeteries?—A. No, sir; it has only been opened for about four years. But there is now in Knoxville a church, the First Presbyterian Church, in the yard of which there are head-stones put up in 1811, at that time, on which the chisel-marks are still plainly visible. In 1820, the Bank of East Tennessee was built, and the window-frames, cornices, &c., were put of this marble, and the chisel-marks have not yet been washed out. The custom-house at Knoxville is built of this marble, and I defy a man to find a crack or a flaw or a crevice in any part of the stone. I think it is the best piece of masonry I have ever seen. There is not a flaw in it, and it is a beautiful white color, without a stain on it. A few days after the bids were put in, but before the decision was announced, some two or three days before the announcement, a man met me on Pennsylvania avenue, and engaged me in conversation. I can only give the substance of it, however. He wanted to know if I expected to make some money out of my contract if I got it, and what I expected it would be worth to me. I told him that I hoped to make some money out of it, that such was my intention. He then asked if I was willing to give anything for the contract. I told him "No, I was not; that I had made a fair proposition, and expected to get the work on it." He said it was very evident that I did not understand the way such things were worked here, and when he bid me good bye he said, "In my opinion sir, you will not get it;" and walked off and left.

Q. Can you state who that person was?—A. No, sir.

Q. Can you describe the appearance of that man?—A. I should say he was a man of about your size—some 5 feet 8 or 9 inches in height; he had dark hair, and whiskers slightly grey. I took him to be one of the brokers in the street at that time.

Q. What kind of broker?—A. I mean one of those persons who want money to help you get contracts here.

Q. Have you seen that man since?—A. I am not positive; but I thought I saw him once afterward on the street here, and endeavored to get near him, but he escaped me in the crowd. I don't know that I have seen him since.

Q. Have you seen any person since that you took to be the same man?—A. I saw Bridges since, and he struck me as being about the same-sized man and looked like him; but I could not tell.

Q. Was there anything in his appearance that impressed you with the belief that he was the same man?—A. Yes, sir. When I saw Bridges in Keokuk I thought he looked familiar to me, and I believed that I had seen him before, but could not place him exactly.

Q. Did he impress you as being the same man you had the conversation with on Pennsylvania avenue?—A. Yes, sir, he did; but I could not say that he was the same person. I will state here that Mr. Jones came to me the evening of the letting, I think the same evening, and said, "You want to make some money out of this thing, don't you?" I said, yes, that I had so calculated, and expected if I got the contract to do so. He said, "Well, I am some sixty-odd thousand dollars above you, and I am next on the list. All I want is a few thousand dollars out of it, that will satisfy me, and I will turn it over to you." I said that I declined to do any such thing, and that I would hold to my original proposition. In reference to my negotiations with Bridges; I had been corresponding with him about furnishing some of the stones under his contract, and he wrote me to come to Keokuk. I went and called on him, and found some three or four thousand stones on hand. On looking over them I found that quite a number were defective, and I remarked that I thought fully 25 per cent. of them would be rejected. I noticed that the letters were cut irregularly and were not deep enough. He told me that there had been a modification in the contract in regard to the lettering. Some, I noticed, were off color, and he remarked that that was another modification of the contract. Some, I noticed, were chipped on the edges by freighting or by careless workmanship, and he said that another modification of the contract was the privilege of rounding the corners. Some were broken at the corners, sideways and edgeways, and he said that part went under ground and would not be seen, another modification of the contract. I noticed, also, the abbreviations allowed in the names and in the word "private" which was put on the stone "pvt." He said that he had convinced them that a soldier has no rank and that was left out, a modification largely in favor of the contractor.

Q. What do you calculate would be the difference in the contracts under these modifications?—A. I figured it up to be some \$115,000 on the contract. Some made it more than that.

Q. Were these modifications known to you at the time of the letting?—A. I never knew anything of them until Bridges told me of them himself.

Q. That was after the letting?—A. Yes, sir; six months after. He was giving me the modifications as an inducement to come down in my bids to supply him with a part of the stones.

Q. No such terms were contained in the original specifications?—A. No, sir. There was one modification handed to us on the morning we made the bids. It was in reference to abbreviating the names and title. This permitted the abbreviation of the name in this way: take for instance the names "William C. Jones, private, Massachusetts," or "Samuel H. Walker, lieutenant-colonel, Pennsylvania." By this modification these names could be written: "Wm. C. Jones, pv't., Mass.;" "Sam. H. Walker, lt. col., Pa." The original specification required the whole name and rank to be cut on the stone; and this modification was made before we bid. But that was the only change that was made from the original specification until after the letting. Bridges and myself discussed the price of the stone for some time, and finally he said he would go to Washington and write me from there whether it was all right or not. I said I wanted to know where the money was to come from. And he said that none could be paid me for over sixty to ninety days, and that he would pay me himself. I replied that it was not satisfactory, and he said it could not be otherwise arranged. So I went on back home, and have never heard from him since.

By the CHAIRMAN:

Q. It was your marble that you were negotiating for with him, was it?—A. Yes, sir.

Q. How long was this after the contract had been awarded to Bridges?—A. I presume it was nearly eight months. I went to Keokuk after he had written me to come.

By Mr. TERRY :

Q. Have you ever seen the marble that Bridges was using?—A. I have seen only that at Keokuk ; nothing more.

Q. How does that compare with your marble?—A. It was, as a rule, inferior. He had some good stone, but a great deal of it was very inferior.

Q. As a lot, you considered it rather inferior?—A. Yes, sir ; it was inferior as to quality and bad as to color. The letters, too, were being cut (raised letters) by the sand-blast instead of cutting. This process cuts the stone irregularly. Some places would be cut an eighth of an inch in depth while others would be a quarter of an inch. I asked if such lettering would be received, and he said yes, that the letters were sufficiently prominent. Sometimes the iron plate that protected the letter from the sand would blow off, and the letter entirely cut out. I asked one of the workmen how they would do then, as it would spoil the stone. He said no, that they would cut out another letter and put it on with shellac. I did not see that done, but one of the men told me that it was done ; and I saw myself where the hot bar that was used for the purpose of heating the shellac on the stone had completely burnt the letter into lime, so that I could have wiped it off in five minutes with my handkerchief.

By the CHAIRMAN :

Q. What, if anything, have you observed or do you know, of the manner of Mr. Bridges' lettering the stones that he has prepared?—A. As I have stated, it was done by the sand-blow. The parts of the stone to be cut away are exposed to the action of the current of sand, which cuts out the parts and leaves the letter raised above the surface. These are by no means as durable as the incised letters. Where the letter had been defaced by the sand-blast, another was stuck on with shellac, as I was informed, and the surrounding parts were so burned by the heating process necessary to do this, as to convert them into lime. I could easily have wiped the letter off with my handkerchief, that was put on in that way. In one case I tried it, and found no difficulty in wiping off the corners of a letter in a few moments.

By Mr. TERRY :

Q. The bid that you put in contemplated cutting out or incising the letters?—A. Yes, sir ; it was entirely by cutting them out. I never thought of using the sand-blast. I did not suppose it would be permitted. I should have had them cut by hand entirely. By these modifications, if I had known them, I could have put in my bid for from \$50,000 to \$100,000 less.

By Mr. THORNBURGH :

Q. This stone that you saw at Bridges's in Keokuk, had that been inspected or accepted?—A. No, sir.

Q. Do you know whether that has been received for use or rejected, or whether any considerable quantity of them have been rejected?—A. A couple of years ago I was through here and called on Morgan, who had a share in the contract. He said that of the first shipment of 500 stones to one cemetery they had rejected 59, or over 10 per cent. He said at that rate they would break him up, but that he hoped still to get them in. I was told by the officer in charge of the cemeteries that out of 15,000 sent to Vicksburgh 1,300 had been rejected.

Q. What officer was that?—A. I don't know his name. He said he was an engineer, and had charge of putting up the stones. He said he would be in Chattanooga in April to put up the stones in that cemetery. The stones are being delivered there at this time.

By Mr. THORNBURGH :

Q. Do you know whether, by anybody, about that time that you were negotiating with Bridges to furnish him with stone under his contract, application was made to the Secretary of War, the Quartermaster-General, or either of them, to know whether, if such arrangement was made, your stone would be allowed to go in?—A. I don't know. Bridges said he would go to Washington and see about it.

Q. What time was that?—A. June or July, 1874, I think.

Q. Do you know whether Mr. Maynard or any one else applied to the Secretary of War or the Quartermaster-General, or both, to ascertain whether or not you would be allowed to furnish your stone to the contractor, and if it would be accepted, either before or after your letter from Bridges?—A. After the opening of the bids, about Tuesday or Wednesday, I think, Mr. Maynard came here, and called on the Secretary of War in reference to the interest of Tennessee in the matter. When he was leaving for home he said that, perhaps, I should remain here for a few days. I rather insisted upon his remaining, but he replied that there was no necessity for that, as Tennessee would get her share.

Q. Were there not other parties from Tennessee interested in this bidding who were engaged in the marble business, and who had made bids on the work?—A. Yes, sir ;

there were two or three other bidders from Tennessee. Mr. Maynard stated to me that he had come in the interest of no particular person, but came solely in the interests of the State.

By Mr. TERRY:

Q. When this work was parceled out and given to five contractors, to whom were the most eligible or convenient cemeteries given?—A. All those which I would have selected in the West and South, the most eligible, were given to Bridges. He got the most convenient, and those where the largest profit could be made. The next choice, I thought, were those that Morgan got, and the last to Mr. Jones, whose were not desirable at all.

Q. The cemeteries given to Bridges were, in every instance, convenient of access by railroad or other means of transportation?—A. Yes, sir; in every instance. They were decidedly the most desirable on that account.

WASHINGTON, D. C., March 28, 1876.

THOMAS P. MORGAN sworn and examined.

By My TERRY:

Question. Please proceed, without specific questions, to give your knowledge of bidding for and the letting of contracts for the making of head-stones, &c., for the graves of Union soldiers.—Answer. I would state that, in response to the advertisement which I hold in my hand, dated June 27, 1873, inviting proposals for head-stones for the national cemeteries, I submitted a bid on a blank form furnished by the Department.

The following is the advertisement referred to by the witness:

PROPOSALS FOR HEAD-STONES FOR NATIONAL MILITARY CEMETERIES.

“WAR DEPARTMENT, QUARTERMASTER-GENERAL’S OFFICE,
“Washington, June 27, 1873.

“Proposals are invited for furnishing head-stones for the national military cemeteries, as prescribed by the law of 3d March, 1873, of which the following is an extract:

“Provided, that the head-stones required by an act entitled “An act to establish and protect national cemeteries,” approved February 22, 1867, and the act amendatory thereof, approved June 8, 1872, shall be of durable stone, and of such design and weight as shall keep them in place when set, and the contract for supplying the same shall be awarded by the Secretary of War, after sixty days’ advertisement in ten newspapers of general circulation, to some responsible person or persons whose samples and bids shall in the greatest measure combine the elements of durability, decency, and cheapness; and the sum of one million dollars is hereby appropriated for said purpose out of any money in the Treasury not otherwise appropriated; and the Secretary of War shall first determine for the various cemeteries the size and model for such head-stones, and the standards of quality and color of the stone to be used, and bids shall be made and decided with reference thereto; and contracts may be made for separate quantities of such head-stones; and the contracts made under this act shall provide for furnishing and setting all the said head-stones, and shall not in the aggregate exceed the sum hereby appropriated.

“The total number to be furnished is estimated at 253,088. For the known, 147,694; for the unknown, 105,394.

“Specifications describing in detail the standard fixed by the Secretary of War can be had on application by letter to this office, where, also, a specimen will be placed on exhibition within a few days.

“The proposals should be in sealed envelopes, marked “Proposals for head-stones for national military cemeteries,” and addressed to the Quartermaster-General of the Army, in whose office they will be opened, in the presence of bidders, on Saturday, September 6, 1873, commencing at 11 o’clock a. m.

“By order of the Secretary of War.

“M. C. MEIGS,
“Quartermaster-General, Brevet Major-General, United States Army.”

The WITNESS. I will state that I was a bidder under that advertisement, and bid separately and specifically for each cemetery contained in the schedule—bidding for head-stones for the known and for blocks for the unknown graves of soldiers at the

same price, \$3.40; and then made an aggregate of my bid, which I do not now remember. I would state further that in making that bid I conformed to all the requirements of the Department in furnishing the usual guarantee that if my bid was accepted I would enter into contract with the United States—the responsibility of parties who were on that guarantee being duly certified. The bid went in at the proper time, the day specified for opening the bids. I filed my bid, but was not present at the opening of the bids. I received a letter from the Quartermaster-General's Office dated on the 27th October, 1873. Between the time of the opening of the bids and the date of that letter nothing intervened, except what was merely conversation and rumor.

This letter is the first official recognition I had in regard to the matter.

The letter is as follows:

“WAR DEPARTMENT, QUARTERMASTER-GENERAL'S OFFICE,
“Washington, D. C., October 27, 1873.

“SIR: You are respectfully requested to inform this office whether you will enter into contract, with satisfactory sureties, to furnish *slabs* under your bid for head-stones, for the following cemeteries, viz:

Brownsville, Tex., about.....	1,288
Alexandria, La., about.....	517
Chalmette, La., about.....	6,658
Barrancas, Fla., about.....	580
Mobile, Ala., about.....	248
Beaufort, S. C., about.....	4,319
Florence, S. C., about.....	159
Wilmington, N. C., about.....	701
Raleigh, N. C., about.....	606
Nashville, Tenn., about.....	11,477
Stones River, Tenn., about.....	3,742
Fort Donelson, Tenn., about.....	128
Cypress Hill, N. Y., about.....	3,038
Beverly, N. J., about.....	138
Whitehall, Pa., about.....	59
Philadelphia cemeteries, Pa., (5,) about.....	1,789
	35,447

At \$3.40 each.

“By order of the Acting Quartermaster-General.

“Very respectfully, your obedient servant, *

“A. J. MCGONNIGLE,

“Captain and Assistant Quartermaster-General, U. S. A.

“Mr. THOMAS P. MORGAN,

“Washington, D. C.

“3480.—Q. M. G. O.—1873.”

In answer to that letter I addressed the following communication to Captain McGonnigle:

“WASHINGTON, October 29, 1873.

“SIR: Your letter of the 27th instant, requesting me to inform you whether I would enter into contract, with satisfactory sureties, to furnish *slabs* under my bid for head-stones, &c. I have the honor to reply, that my bid was made for head-stones for known soldiers' graves, and blocks for unknown soldiers. I am prepared to enter into contract for all of the cemeteries, or any portion of them that may be awarded me, at the price named in my bid, viz, for head-stones, \$3.40; for blocks, \$3.40.

“Very respectfully, your obedient servant,

“THOS. P. MORGAN.

“Captain A. J. MCGONNIGLE,

“Assistant Quartermaster.”

After I filed that letter, I had reason to believe that there would be no portion of the work offered me, except that mentioned in the letter; and I concluded afterward to accept what they had awarded, for I regarded it as a very close matter, and not in accordance with my bid. I thought, as I had bid for the blocks and head-stones at the same price, and as there was to be a division of the contract made, that I ought to have a fair proportion of each. The slabs were a very close matter, and all the profit there was on the contract, it was presumed, would be in the blocks. About that time the panic struck us, and reduced prices somewhat, and I thought that I would try it on the

slabs at the award they made. I would state further that I learned from other parties in interest in the contract that a proposition had been made for dividing the slabs into four parts, and awarding one part to myself, one part to Charles S. Jones, one to Samuel G. Bridges, and one part to the Brandon Marble Company of Brandon, Vt., and all the blocks to D. C. Sage, of Connecticut. The Brandon Marble Company having declined to respond, there was a further apportionment made of slabs, dividing that one-fourth that the Brandon Marble Company declined between the other three persons, viz, Jones and myself, making the total for each 48,693 instead of 35,000.

Q. Is that the second apportionment?—A. Yes, sir; that is the second that was given to us.

The following paper was put in evidence :

No. 1.

1. Brownsville, Tex	1, 288, more or less.
2. Alexandria, La	517, more or less.
3. Chalmette, (N. O.,) La.....	6, 658, more or less.
4. Barrancas, Fla	580, more or less.
5. Mobile, Ala	248, more or less.
6. Beaufort, S. C	4, 319, more or less.
7. Florence, S. C	159, more or less.
8. Wilmington, N. C	701, more or less.
9. Raleigh, N. C	606, more or less.
10. Nashville, Tenn	11, 477, more or less.
11. Stone River, Tenn	3, 742, more or less.
12. Fort Donelson, Tenn	128, more or less.
13. Cypress Hills, N. Y	3, 038, more or less.
14. Beverly, N. J	139, more or less.
15. Whitehall, Pa	59, more or less.
16. Philadelphia cemeteries	1, 789, more or less.
17. Marietta, Ga	6, 999, more or less.
18. Salisbury, N. C	88, more or less.
19. Danville, Va	1, 159, more or less.
20. Ball's Bluff, Va	1, more or less.
21. Battle Ground, D. C	40, more or less.
22. Soldiers' Home, D. C	4, 959, more or less.
Total	48, 693, more or less.

I would state to the committee, as I perhaps should have done in the first instance, that I have the original contract that I entered into, and I will file that if it is desired.

Q. It embraces specifications and all?—A. Yes, sir; it goes on to state all the dimensions and all the specifications which are embraced in the contract.

A copy of the above-mentioned original contract was put in evidence, and is as follows:

Articles of agreement entered into this thirty-first day of December, eighteen hundred and seventy-three, between Capt. A. J. McGonnigle, assistant quartermaster, an officer in the service of the United States of America, of the one part, and Thomas P. Morgan, of Washington, D. C., of the other part.

This agreement witnesseth that the said Capt. A. J. McGonnigle, assistant quartermaster, for and on behalf of the United States of America, and the said Thomas P. Morgan, for himself, his heirs, executors, and administrators, have mutually agreed, and by these presents do mutually covenant and agree, to and with each other, as follows, to wit :

First. That the said Thomas P. Morgan shall furnish, and erect in a good and substantial manner, all the head-stones (slabs) required at the following national cemeteries, and in the order as below given, namely:

Brownsville, Texas, national cemetery; Alexandria, Louisiana, national cemetery; Chalmette, Louisiana, national cemetery; Mobile, Alabama, national cemetery; Barrancas, Florida, national cemetery; Fort Donelson, Tennessee, national cemetery; Nashville, Tennessee, national cemetery; Stone River, Tennessee, national cemetery; Marietta, Georgia, national cemetery; Beaufort, South Carolina, national cemetery; Florence, South Carolina, national cemetery; Wilmington, North Carolina, national cemetery; Salisbury, North Carolina, national cemetery; Raleigh, North Carolina, national cemetery; Danville, Virginia, national cemetery; * Ball's Bluff, Virginia, national cemetery; Battle Ground, District of Columbia, national cemetery; Soldiers' Home, District of Columbia, national cemetery; * Whitehall, Pennsylvania, national cemetery; * Philadelphia, Pennsylvania, national cemetery; * Beverly, New Jersey, national cemetery; * Cypress Hills, New York, national cemetery. Twenty-two (22) cemeteries in all. Those north of Washington, D. C., indicated, thus. "

Second. That the head-stones (slabs) to be furnished by the said Thomas P. Morgan, under this contract, shall be of *white marble*, of fine grain, good texture, and hard, and in all respects equal in quality to the sample exhibited by the United States as standard, in the office of the Quartermaster-General, at Washington, D. C.

The said slabs to be of the following dimensions, viz, four (4) inches thick, ten (10) inches wide, and when set shall be twelve (12) inches high above ground; for the latitude of Washington and south, to be twenty-four (24) inches in the ground, and for places north of that latitude, to be thirty (30) inches in the ground. The bottoms to be flat with square corners, and the stones to [be] of uniform thickness throughout. The top to be slightly curved, (convex,) and all of that part above ground to be polished neatly in the usual manner of finishing marble head-stones, and in all respects to be similar to standard exhibited by the United States in the Quartermaster-General's Office at Washington, D. C. The number of the grave, the rank, (if other than a private,) and name of the soldier, and the name of the State from which he came, if known, and if not known, the name of the organization to which he belonged, to be inscribed (on one face) in relief, or incised, at the option of the party of the second part. The rank of a private soldier is not to be inscribed. Abbreviations may be made in the Christian or first name of the deceased, also in his rank and in the name of his State or organization; provided, that all such abbreviations shall be made in the manner indicated in the lists of inscriptions to be furnished, when prepared and required from the Quartermaster-General's Office at Washington, D. C. In all cases of abbreviations and wherever required, proper punctuation shall be observed. When the name of the deceased is long it shall be put on the stone in a curve. The figures and initial letters (capitals) to be two (2) inches long and one-third ($\frac{1}{3}$) of an inch deep; the other letters to be small capitals, one (1) inch long and one-fourth ($\frac{1}{4}$) of an inch deep. All rubbish left on completion of work at each cemetery, to be removed by the party of the second part.

Third. All of the head-stones (slabs) to be furnished under this agreement shall be inspected by a competent agent, to be designated by the party of the first part, and such inspection shall be made at each cemetery both before and after the stones are erected. Inspections shall also be made at point of shipment if desired by the party of the second part. When all of the head-stones (slabs) for any one cemetery have been erected, and after the agent shall have certified that they are in all respects as contracted for, they shall be received and become the property of the United States, and payment may be made thereon as hereinafter provided.

Fourth. All of the head-stones (slabs) required under this contract shall be furnished and erected by the fifteenth day of May, 1875.

Fifth. For and in consideration of the true and faithful performance of each and every stipulation of this agreement on the part of the party of the second part, the party of the first part agrees to pay, or cause to be paid, when in funds for that purpose, to the party of the second part, the sum of three (3) dollars and forty (40) cents for each head-stone furnished, erected, and accepted under this agreement, and this sum shall be in full for all transportation charges, cost of labor in erecting the head-stones, removing rubbish upon completion of work, and all other expenses of any nature whatsoever.

Sixth. It is further agreed that in the discretion of the party of the first part, partial payments may be made for the work as it progresses, as follows, namely: when the whole work at any one cemetery shall have been completed in the order named in the first article of this agreement; provided, however, that on all such payments, ten per cent. shall be withheld until the entire number of headstones required by this contract shall have been erected and accepted.

Seventh. In case of failure on the part of the party of the second part to furnish head-stones of the quality described, or to erect them in the manner herein prescribed, or to complete the work within the time stipulated in this agreement or upon his abandoning it altogether, then the party of the first part will have the right to furnish and erect said head-stones in the manner and at the cemeteries hereinbefore mentioned, and the excess in cost over the price agreed upon in this contract shall be charged to the party of the second part.

Eighth. No member of Congress, officer, or agent of the Government, or any person employed in the public service, shall be admitted to any share herein, or to any benefit which may arise herefrom.

Ninth. This agreement is made subject to the approval of the Quartermaster-General, United States Army.

In witness whereof, the undersigned have hereunto placed their hands and seals the day and date first above written.

A. J. MCGONNIGLE, [L. S.]

Captain and Assistant Quartermaster, United States Army.

THOMAS P. MORGAN. [L. S.]

Witnesses:

WALTER WOOLLCOTT.

E. M. NOURSE.

The following indorsements were on the above:

Contract between Captain A. J. McGonnigle, assistant quartermaster, United States Army, and Thomas P. Morgan, for furnishing and erecting head-stones at national cemeteries.

Date: DECEMBER 31, 1873.

$\frac{6}{23} = \frac{31}{48}$ } Quartermaster's-General's Office, 1874. Bond, \$35,000.

QUARTERMASTER-GENERAL'S OFFICE,
Washington, D. C., January 8, 1874.

Approved.

J. D. BINGHAM,

Acting Quartermaster-General, Brevet Brigadier-General, United States Army.

[In pencil.] Contract and bond signed December 31; filed January 3, 1864.

I have also here a regular specification and list of the cemeteries, with the number of blocks and head-stones. It is as follows:

SPECIFICATIONS FOR HEAD-STONES FOR NATIONAL MILITARY CEMETERIES.

For the known.

A white marble or gray granite slab (4) inches thick, ten (10) inches wide, twelve (12) inches high above ground, and, for the latitude of Washington and south, twenty-four (24) inches in the ground; north of that latitude, thirty (30) inches in the ground.

The part above ground to be polished neatly, and to have the top slightly curved.

The number of the grave, the rank and name of the soldier, and the name of the State from which he came, to be cut on one face; the figures and capital letters to be 2 inches long and $\frac{1}{8}$ inch deep; the other letters 1 inch long and $\frac{1}{8}$ inch deep. The letters may be in relief or incised, at the option of the bidder.

The portion below ground to be rough-dressed, and at least $\frac{1}{8}$ inch wider and thicker than the part above ground. The bottom to be straight and of uniform thickness, and the corners square.

For the unknown.

A granite or marble block 6 inches square, 2 $\frac{1}{2}$ feet long, (6" $\times$ 6" $\times$ 2' 6".)

The top and 4 inches of the sides of the upper end to be neatly dressed, and the number of the grave cut on the top in figures 2 $\frac{1}{2}$ inches long and $\frac{1}{8}$ inch deep, or relieved. When the figures are more than three, they will be arranged in a curve around the margin.

The top to be flat or slightly convex; the bottom to be flat and full 6 inches square; the rest of the block to be rough-dressed or split, but to be of full size throughout.

The block to be firmly set in the ground so that the top shall be just even with the top of the grave.

The marble for the *slabs* to be white, of fine grain, good texture, and hard; for the *blocks*, to be nearly white, of pretty fine grain, and good texture—to be a good, durable marble.

The granite for the *slabs* to be of uniform gray, of a fine grain, uniform mixture of the ingredients, and free from all oxides; for the *blocks*, to be gray, of pretty close grain, and to be good granite for building purposes.

Specimen head-stones, giving the form, the style of finish, and the quality of the stone required, will be exhibited in the Quartermaster-General's Office in a few days.

Notes.

1. These slabs may be of uniform width and thickness throughout, (viz, 10 inches wide and 4 inches thick,) at the option of the bidder.

2. The granite slabs may be fine-pin hammered on the back and the face rubbed or sanded smooth.

3. The term *polished* is used to signify the usual manner of finishing marble head-stones.

List of national cemeteries requiring head-stones.

Running number.	Name of cemetery.	Location.	Number of interments of known remains.	Number of interments of unknown remains.	Total number of interments.
1	Alexandria Cemetery ..	One mile from Alexandria, La	517	763	1,280
2	Alexandria Cemetery ..	At Alexandria, Va	3,337	103	3,440
3	Andersonville Cemetery	At Andersonville, Ga	12,769	483	13,252
4	Annapolis Cemetery....	One-fourth mile from Annapolis, Md	2,263	211	2,474
5	Arlington Cemetery....	Three miles from Washington, D. C	7,247	1,798	9,045
6	Ball's Bluff Cemetery...	On the Potomac River, opposite Edwards' Ferry	1	24	25
7	Barrancas Cemetery....	Near Fort Barrancas, Pensacola, Fla	580	375	955
8	Battle Ground Cemetery	Four miles from Washington, D. C	40	.....	40
9	Baton Rouge Cemetery..	At Baton Rouge, La	2,428	494	2,922
10	Beaufort Cemetery	Three-fourths mile from Beaufort, S. C	4,319	3,900	8,219
11	Beverly Cemetery	One and one-half mile from Beverly, N. J	138	7	145
12	Brownsville Cemetery..	Near Fort Brown, Texas	1,288	1,409	2,697
13	Camp Butler Cemetery..	Six miles from Springfield, Ill., on the T. W. and W. Railroad.	533	164	697
14	Camp Nelson Cemetery..	Six miles from Nicholasville, Ky	2,337	1,189	3,526
15	Cave Hill Cemetery	At Louisville, Ky	3,226	548	3,774
16	Chalmette Cemetery....	Six miles from New Orleans, La	6,658	5,280	11,938
17	Chattanooga Cemetery..	One and one-fourth mile from Chattanooga, Tenn	7,919	4,929	12,848
18	City Point Cemetery....	One and one-half mile from City Point, Va	3,490	338	3,828
19	Cold Harbor Cemetery..	Eleven and one-half miles from Richmond, Va.	630	1,311	1,941
20	Corinth Cemetery	Three-fourths mile from Corinth, Miss	1,784	3,886	5,670
21	Crown Hill Cemetery...	Three miles from Indianapolis, Ind	672	36	708
22	Culpeper Cemetery	At Culpeper Court-House, Va	446	902	1,348
23	Cypress Hills Cemetery..	On Long Island, eight miles from New York City	3,038	75	3,113
24	Danville Cemetery	At Danville, Va	1,159	134	1,293
25	Fayetteville Cemetery..	One-half mile from Fayetteville, Ark	456	754	1,210
26	Florence Cemetery	One mile from Florence, S. C	159	2,799	2,958
27	Fort Donelson Cemetery	One-half mile from Dover, Tenn	128	511	639
28	Fort Gibson Cemetery..	At Fort Gibson, Indian Territory	156	1,967	2,123
29	Fort Harrison Cemetery	Eight miles from Richmond, Va	240	286	526
30	Fort Leavenworth Cemetery.	One-half mile from Fort Leavenworth, Kans..	364	744	1,108
31	Fort Scott Cemetery....	One and one-half mile from Fort Scott, Kans..	307	102	409
32	Fort Smith Cemetery...	One-fourth mile from Fort Smith, Ark	565	939	1,504
33	Fredericksburgh Cemetery.	At Fredericksburgh, Va., one mile from the railway station.	2,448	4,155	6,603
34	Gettysburgh Cemetery..	At the village of Gettysburgh, Pa .....	.....	979	979
35	Glendale Cemetery	Fifteen miles from Richmond, Va	237	399	636
36	Grafton Cemetery	One-fourth mile from Grafton, W. Va	618	608	1,226
37	Hampton Cemetery	One-half mile from Hampton, Va	4,364	450	4,814
38	Jefferson Barracks Cemetery.	On the military reserve of Jefferson Barracks, ten miles from Saint Louis, Mo.	6,756	1,754	8,510
39	Jefferson City Cemetery	At Jefferson City, Mo	310	330	640
40	Keokuk Cemetery	At Keokuk, Iowa	569	21	590
41	Knoxville Cemetery....	Three-fourths mile from Knoxville, Tenn	2,016	1,045	3,061
42	Laurel Cemetery	Near Baltimore, Md	236	2	238
43	Lebanon Cemetery	Two and one-half miles from Lebanon, Ky	564	283	847
44	Lexington Cemetery ...	One mile from Lexington, Ky	815	105	920
45	Little Rock Cemetery ..	One and one-half mile from Little Rock, Ark..	2,765	37	2,802
46	Logan's Cross-Roads Cemetery.	At Mills' Springs, Lincolnville, Ky	327	367	694
47	London Park Cemetery..	Three miles from Baltimore, Md	1,475	161	1,636
48	Marietta Cemetery	At Marietta, Ga	6,999	3,053	10,052
49	Memphis Cemetery	Six miles from Memphis, Tenn	5,027	8,811	13,838
50	Mobile Cemetery	At Mobile, Ala	248	562	810
51	Mound City Cemetery..	One and one-half mile from Mound City, Ill....	2,450	2,640	5,090
52	Nashville Cemetery	Six miles from Nashville, Tenn	11,477	3,966	15,443
53	Natchez Cemetery	One and one-half mile from Natchez, Miss....	287	2,775	3,062
54	New Albany Cemetery..	At New Albany, Ind	2,090	666	2,756
55	New Berne Cemetery...	One mile from New Berne, N. C	2,031	286	2,317
56	Philadelphia cemeteries	At Philadelphia, Pa	1,789	30	1,819
57	Pittsburgh Landing Cemetery.	Three and one-fourth miles from Shiloh, Tenn..	1,227	2,354	3,581
58	Poplar Grove Cemetery..	Five miles from Petersburg, Va	2,171	3,354	5,525
59	Port Hudson Cemetery..	One and one-half mile from Port Hudson, La ..	540	3,260	3,800
60	Raleigh Cemetery	One mile from Raleigh, N. C	606	553	1,159
61	Richmond Cemetery....	Three and one-half miles from Richmond, Va..	832	4,003	4,835
62	Rock Island Cemetery..	On Rock Island, Mississippi River, Ill	280	9	289
63	Salisbury Cemetery	One half mile from Salisbury, N. C	88	.....	88
64	Seven Pines Cemetery..	Nine miles from Richmond, Va	140	649	789
65	Soldiers' Home Cemetery	Two miles from Washington, D. C	4,959	279	5,238
66	Springfield Cemetery...	Three miles from old Springfield, Mo., six miles from railroad station.	812	706	1,518
67	Staunton Cemetery	One and one-fourth mile from Staunton, Va....	231	406	637
68	Stone's River Cemetery	Three miles from Murfreesborough, Tenn	3,742	2,321	6,063

List of national cemeteries requiring head-stones—Continued.

Running number.	Name of cemetery.	Location.	Number of interments of known remains.	Number of interments of unknown remains.	Total number of interments.
69	Vicksburgh Cemetery..	Two miles from Vicksburgh, Miss.....	3,829	12,687	16,516
70	White Hall Cemetery..	Near Bristol, seventeen miles from Philadelphia, Pa.	59	1	60
71	Wilmington Cemetery..	One mile from Wilmington, N. C.....	701	1,359	2,060
72	Winchester Cemetery..	One-fourth mile from Winchester, Va.....	2,009	2,026	4,035
73	Yorktown Cemetery....	One-half mile from Yorktown, Va.....	722	844	1,566
	Total.....	.....	143,040	104,757	252,797

M. C. MEIGS,

*Quartermaster-General, Brevet Major-General, U. S. A.,*QUARTERMASTER-GENERAL'S OFFICE,
Washington, June 27, 1873.

I will state that I entered into a contract with acceptable bondsmen, and proceeded to execute my part of the work.

Q. State whether you completed your part of the work, and what became of the contract.—A. I did not complete my part of the work, except Brownsville, Tex., the worst cemetery I had; Alexandria, La., Barrancas, Fla., White Hall, Pa., and Beverly, N. J., I had under way.

By Mr. HARDENBERGH:

Q. Is there a national cemetery at Beverly?—A. Yes, sir.

Q. What is the extent of it?—A. It is very small. There are 138 known graves and 7 unknown; total, 145. After that I disposed of my interest in the contract to Samuel G. Bridges, of Keokuk, Iowa.

By Mr. TERRY:

Q. State the terms upon which you sold out to him.—A. I have perhaps stated a little in advance. By an arrangement with Mr. Jones I had agreed to take his share of the contract and execute the work, and in my negotiation with Mr. Bridges I disposed of Mr. Jones's contract and mine too. The price that I was to receive for Mr. Jones's part, as well as my own, covering about 97,000 or 98,000 head-stones, was \$20,000, \$5,000 of which was to be paid in five months after the date of the agreement; \$5,000 in seven months; \$5,000 in nine months, and \$5,000 in eleven months. The agreement was dated December 24, 1874. Is it the wish of the committee that I state these matters historically in their order?

The CHAIRMAN. State all the circumstances.

A. About the time of the maturity of the first note, Mr. Bridges came on here with Mr. Sheldon, of Vermont, a gentleman who was executing the work—getting out the marble and preparing it for shipment; that is, the work was being done at his quarry. Mr. Sheldon, after he came here, said that he had undertaken to furnish this marble, and he had assumed a good deal of responsibility about it, and would have to make some arrangement about the paper that was coming due. He seemed to be dissatisfied with the arrangement, and proposed to take up the paper if I would accept the paper of his firm in lieu of the paper that had been given by Mr. Bridges at a considerable discount. Looking at the matter all over, I agreed to accept Mr. Sheldon's offer, which was, I think, about \$14,000. It was \$13,500, and then they paid me some expense that had been incurred, making it in all about \$14,000, all of which paper has been paid. I believe that is all I know about it.

By the CHAIRMAN:

Q. How did it come that you took less for Mr. Bridges's paper than it called for?—A. I was satisfied of Mr. Bridges's inability to pay it.

By Mr. THORNBURGH:

Q. What changes were made in the contract after the bids were accepted, and before you sold out your interest?—A. I think the first modification was made May 16, 1874, by the following letter:

"WAR DEPARTMENT, QUARTERMASTER-GENERAL'S OFFICE,
"Washington, D. C., May 16, 1874.

"SIR: You are respectfully informed that the Secretary of War has, under date of the 14th instant, authorized the following modifications of the specifications for head-stones for the known graves in the national cemeteries, viz:

"Slabs to have the figures and letters of a uniform size of one (1) inch in length, and one-eighth ($\frac{1}{8}$) of an inch in depth. A variation of one-thirty-second ($\frac{1}{32}$) of an inch in depth may be allowed.

"The edges of the slabs may be slightly rounded; a perfectly square edge will not be insisted upon.

"The term 'white marble' is to be considered as signifying what is known, commercially, as white monumental marble, not statuary marble.

"Very respectfully, your obedient servant,

"M. C. MEIGS,

"Quartermaster-General, Brevet Major-General, U. S. Army.

"Mr. THOMAS P. MORGAN,

"Washington, D. C."

Q. I see that does not include the change of that part of the stone that went under ground which was required originally to be of full size. Was that change made before you sold out your contract?—A. No, sir; that was all done after I retired. I think that is all the modification that was made.

Q. What difference would these changes, made since the contract, make in the expense of furnishing the stones?

The WITNESS. Your question has reference to the time that I was connected with it? Mr. THORNBURGH. Yes.

The WITNESS. If you will excuse me, I do not know what that modification was in reference to the base of the stone; I only know that they made some modification, but what it was I do not know. In reference to the modification to which I referred in my testimony a moment ago as to the depth of the letters and square edges, it would make no difference in the cost at all where the edges may be rounded. The advantage there was about mutual to the contractor and to the Government. The object in allowing that was this: That when the slab would come from the saw these edges were very sharp and fine, and in the handling of them they would often chip off, so that if the stone was rounded a little, it made it much safer in transportation for the contractor, and made the stone look better—gave it a better finish.

By Mr. HURLBUT:

Q. Do you mean the edges or angles?—A. The edges.

Q. By the terms of the original contract the corner of the stone was to be a right angle, was it not?—A. Yes, sir.

Q. Were they required to round the edges?—A. The design and plan of the stone was all worked out, and the stones were on deposit at the Quartermaster-General's Office as samples for us to bid by, and the stones had a very slight curve on the top.

Q. Then the modification was to the edges and not to the angles?—A. Yes, sir. In reference to the change in the cost of letters it was to the interest of the contractor. I could hardly give an opinion about it, for I had no work done under the original plan of lettering. That was a matter that I know gave us a great deal of concern, because the letters were cut so deep that it jeopardized the letters and made it more difficult to get the name on the slab, on account of the size of the letters. If you want an opinion I can give it to you without having worked those deep letters and the large capital at the commencement of the name. All I could do would be to give an opinion. I did not execute any work under the original plan of lettering.

By Mr. THORNBURGH:

Q. You say the stone was equally as good, and perhaps better for the Government by rounding the edges?—A. Yes, sir.

Q. The stones looked as well and were as serviceable and durable?—A. Yes, sir.

Q. State whether or not it did not save the contractors the rejection of a great many stones that would get chipped on the edges in transportation?—A. That is what I said; that in the transportation of the stone they were liable to chip off.

Q. If they were chipped would they not have been rejected?—A. Yes; and even if the stone was handled without the edges being rounded, by having that permission the small chips could often be worked out by rounding the edge.

Q. You could put stones in that you could not have used otherwise?—A. Yes, sir; stones that would have been objected to.

By Mr. TERRY:

Q. When you made that bid did it have reference to an incision?—A. Yes, sir; incised letters.

Q. Did you bid with reference to the incised or raised letters?—A. Yes, sir; incised

letters; and when I made the bid I had the raised letter in view at the same time, because it was optional with the contractor to use either; there were parties before this who were pressing this sand-blast, which was an improvement in lettering; and I had the raised letter in view at the same time.

Q. Which of the two processes is the most expensive?—A. The incised letter.

Q. Which is really the best for monumental purposes?—A. I think the blast is the best; that is my judgment. It is novel and it looks prettier.

Q. Have you ever had any experience in that business?—A. No, sir; not in head-stone business until this. My business has been that of general contractor. I have had a little to do with almost all sorts of things, but nothing with marble in that form.

Q. Were those raised letters liable to be broken off in executing the work and handling the stones?—A. There is danger in working the little letters that they place on the stone to make the letters in the stone; there is liability, occasionally, for that to blow off, and sometimes it will blow off; if it does, if the machinery is not stopped instantly, it will affect the letter on the stone. Of course, any raised letter is more liable to be broken in transportation than an incised letter.

By Mr. HURLBUT:

Q. When you say "raised letter," you do not mean that it is raised above the general surface of the stone?—A. No, sir.

Q. It is sunk by the sand-blast but left standing out?—A. Yes.

Q. It is not raised above the general face of the stone?—A. No, sir.

Q. Does it make much difference in the expense, if you use the sand-blast process, how many letters are worked, or how few? Does either the size or the number of the letters make much difference in the expense?—A. No, it does not.

By Mr. TERRY:

Q. Could not these incised letters be cut out by the sand-blast?—A. You can cut them out, but you could not make an incision of the letter as well as you could make an incision of the spaces between the letters. You cannot make the lines and angles sharp enough.

By Mr. HURLBUT:

Q. State whether the amount of lettering on a head-stone, where it is worked by the sand-blast, makes any difference in the cost.—A. It does not, in my judgment.

By the CHAIRMAN:

Q. What was your reason for selling out your contract to Mr. Bridges?—A. I thought I could do as well by selling out as to execute the work. There was a good deal of difficulty, annoyance, and delay about it that I did not anticipate, and I thought it would be about as well for me to sell as to go on with it myself; although I expected to have done much better.

Q. Do you know whether Mr. Bridges had a specimen of the marble that he proposed to use deposited with the Quartermaster-General before the bids were considered or not?—A. I do not. I did not know Mr. Bridges until some time after the bids were opened.

By Mr. THORNBURGH:

Q. Did you have on exhibition there a specimen of the marble you proposed to use?—A. No; I deposited mine after the bids were opened. I did not, for the reason that samples of the marble required by the Department were there, and we were bidding with reference to those. When I was called upon for a sample I furnished it.

By the CHAIRMAN:

Q. Were you present at the opening of the bids?—A. I was not.

By Mr. TERRY:

Q. Was there any difference in the allotment of cemeteries between yourself, Jones, and Bridges in this respect; whether either of the allotments was more judiciously situated than others, and, therefore, likely to be more profitable in executing the contract?—A. I discovered that the allotments were numbered, and I asked the question why that was; mine was No. 1. I was answered by the officer of the Department that they tried to make the division as equitable as possible, but they thought there was a little preference in the list, so they put on the numbers and cast lots for the three bidders to whom the contract was awarded. That was the explanation I had. They considered No. 1 a little more favorable than the others, though they tried to make it as equitable as possible.

Q. Who gave you the explanation?—A. Colonel Mack told me.

By Mr. GLOVER:

Q. In attempting to secure this contract did you simply file your bid and rest upon its merits, or did you get some one to aid you in procuring it?—A. I had an attorney.

The matter hung for a long while; there was no award made, and I could not tell why. I never went to the Department myself. I had Mr. Caperton as my counsel to help me there. He called several times at the Department, and through him I learned about this division.

Q. Did you have any other person employed?—A. No, sir; not employed. There were a number of my friends to whom I named it, and asked their assistance if they could help it. The Secretary did not know me at all, and I thought they might aid the matter in representing who I was. I was an old citizen of Washington and an old contractor. Mr. Caperton was really the only man who was employed to do the work.

Q. What friends saw the Secretary and used their influence?—A. Mr. Murtagh was one, and I think Mr. Samuel V. Niles was another. I conversed with them about it. I do not call to mind any others now. I know that there were several parties who I thought might aid me, and whom I spoke to about it.

Q. None of these gentlemen expected a consideration?—A. No, sir. Mr. Caperton was my attorney; I agreed to pay him.

Q. What did your attorney say as to the reason why this contract was divided among three, instead of to the lowest bidder?—A. As well as I remember now, the attorney reported that the Secretary was very much embarrassed about the award of this contract; and after deliberating upon the matter a good while he concluded that the best thing he could do was to divide it, and I supposed the division would be in accordance with the bid. I thought I would get a share of the blocks as well as the head-stones. I did not know how it was to be divided. It was only my own judgment. I know I requested that a geographical division might be pressed, so that I might get the work around Washington, in Maryland and Virginia. But I did not get it in that way.

Q. You did put up some of this work?—A. I put up the head-stones at Brownsville, Texas, and had prepared several other cemeteries; they were in course of preparation.

Q. Did you have any part of your work in Florida?—A. Yes, sir; at Barrancas.

Q. You sold out before you completed Barrancas?—A. Yes, sir; the stone was at Brandon worked out.

Q. Were any of your head-stones rejected?—A. Yes; all for Barrancas was rejected.

Q. What did you do with them after they were rejected?—A. I turned them over to Bridges.

Q. Did you sell them to him?—A. I did not sell them to him. I reported to him these stones at Brandon, and it was understood that he would take charge of those stones, and was to settle with the Richmond quarry for them.

Q. Do you know whether those stones on his hands were accepted from him after they were rejected on your hands?—A. I do not. I have no knowledge of those stones as to what became of them, except that I know Barrancas has been finished; but whether those were my rejected stones I do not know.

Q. How many of them were there?—A. Five hundred and eighty-five.

Q. What engineer rejected those stones on your hands?—A. Mr. George D. Chenoweth.

Q. Is Mr. Chenoweth still in the service as engineer?—A. I am so informed.

Q. Do you know anything about his having received a watch from any parties connected with this head-stone business?—A. Only from rumor. I know nothing personally.

Q. Do you know whether Mr. Chenoweth received or demanded any consideration from any contractor for his engineering services in any way?—A. I do not.

Q. Do you know how many engineers are employed in that service now?—A. I do not.

Q. Do you know how many of those cemeteries were under construction at one time? At how many of them is the work going on?

The WITNESS. Do you mean at this time?

Mr. GLOVER. Yes; or at any time.

A. I only know from what I have heard through Mr. Sheldon and Mr. Bridges. They have told me from time to time, when they have been here, what they were doing. I asked the question of Mr. Sheldon, who, I think, was here in February, and he told me they were about half done. Since then I have seen Mr. Bridges and he told me they were a little more than half done.

Q. Do you know whether Mr. Bridges has been more successful in having his stones accepted than other contractors?—A. I do not; because I have had no knowledge of his work at all.

Q. Are those stones now inspected at the quarries or at the cemeteries?—A. They are inspected at both points, or they were when I was doing the work, and I understand it is still the practice. The stones, after being worked out, are inspected as to their general appearance, by the inspector, as to color and workmanship, and quality of the stone; and they are inspected on the ground after they are set to see if they are in line and properly spaced. I think that is still the practice.

By Mr. HURLBUT :

Q. The quarry inspection has nothing to do with the work?—A. Yes; it is all done right there on the spot. We always had them finished where they were worked out.

By Mr. THORNBURGH :

Q. Supposing they get broken or chipped in transportation so as to injure them?—A. We have to stand the loss.

Q. The inspection at the final destination covers that?—A. Yes, sir. If the committee would like to see it, I have here a report of the Brownsville work, where I suffered considerably from errors in names and States, which I had to make good—every stone.

By Mr. GLOVER :

Q. How was that done, by relettering?—A. We had to send out new stones.

Q. Do you know whether the stones have been put in upside-down in any instance?—A. I do not, but I think it would have been allowed.

Q. Was that ever done by you?—A. No, sir; I think it would have been allowed, but it was not done by me, for the reason that there were no parties at Brownsville that could do the work. I had to send out a second lot.

Q. How many did you lose in that way at Brownsville?—A. I think it was 60 out of 1,300.

Q. Do you know whether these inspectors were all taken from civil life, or are they officers of the Army?—A. I think they are all civilians, so far as I have heard. I do not know all of them. I think the officer at Brownsville, Lieutenant Nixon, is both an inspector and acting quartermaster, but the work was inspected afterward by Mr. Chenoweth. I think they are all in civil life, with the exception of Lieutenant Nixon.

By Mr. HURLBUT :

Q. He was simply receiving-officer; his inspection was not final?—A. He was receiving-officer and inspector, too. The final inspection I had after replacing those stones that were in error was upon his certificate and inspection.

By Mr. GLOVER :

Q. When you were executing the work yourself, did you assume all the expense and cost of erecting the stones under your contract?—A. Yes, sir.

Q. You charged none of it to the Government for labor done in erecting the stones?—A. No, sir; because the contract expressly stipulates that all transportation and all expense of erection shall be borne by the contractor.

Q. Did you make any charge for extra labor or expense in any way?—A. No, sir.

By the CHAIRMAN :

Q. If I understand the manner in which the contracts were let, a division only was made of what are called slabs, which were for the known graves; the contract for blocks, which were for unknown graves, was all given to one man?—A. Yes, sir.

Q. State whether or not that one man (whose name, I believe, was Sage,) was the lowest bidder for the blocks; was he lower than you?—A. Yes, sir; he was lower than me on the blocks, and higher on slabs, and the aggregate of his bid was a great deal over mine; I think more than \$100,000.

Q. Was he given any slabs?—A. No, sir.

Q. He was given the blocks because he was lower on the blocks than anybody?—A. Yes, sir.

Q. But none of the slabs were given because he was higher than you and others?—A. Yes, sir.

WASHINGTON, D. C., March 31, 1876.

DE WITT C. SAGE sworn and examined.

By Mr. GLOVER :

Question. Where do you reside?—Answer. Cromwell, Conn.

Q. I believe you were a bidder on the head-stone contract for soldiers' cemeteries.—A. Yes, sir.

Q. State what you know about that matter; the manner in which the contract was let; how it was divided up, and all you know about the manner in which bidding was done.—A. It would be really a difficult matter to go through the whole. It would take a long time.

Q. Condense it as well as you can.—A. The advertisement called for bids—

Q. You may omit that. We want your personal experience and knowledge of the matter, and about your own contract.—A. I presented my bid on the 6th of September. I was present at the opening of the bids, and saw those bids opened, and made a minute of the different bids. That memorandum of mine is worn out and spoiled,

and I have lost it. After the bids were all opened I started for home. I had concluded that I was not a low bidder, and I had no further business in Washington at that particular time.

Q. You did not ascertain who the lowest bidder was, did you?—A. By my memorandum, William Patrick, of Saint Louis, was the lowest bidder; but I did not fully understand the matter. I supposed that the lowest bidder would take the work. I did not fully understand that they required white stones; and, consequently, when the bids were all opened and had been read, I saw by my memorandum that William Patrick was the lowest bidder, and I concluded that he was to have the contract.

Q. Did you have a specimen of stone on deposit in the Department?—A. Yes, sir.

Q. Did Mr. Patrick?—A. Yes, sir. I say "Yes;" I suppose he did. It was generally understood that each bidder had a sample of stone. I cannot remember whether Patrick had or not, but I suppose he had.

Q. What happened after you went home?—A. After I went home I saw several articles in the newspapers saying that white marble was required for this work. Then it occurred to me that my bid for white marble for blocks was the lowest, and I returned to Washington to look after the matter. On my arrival here I found that I was right; that white marble was required for this work; that nothing but white marble would fill the specifications. I had a conversation with General Meigs, and he said to me that I was the lowest bidder for blocks, and if the contract was to be divided (and he thought it might be) I was entitled to the blocks for the unknown.

Q. Whom else did you see—anybody else?—A. Yes, sir; I saw various parties in connection with it; I saw Colonel Mack and Captain McGonnigle.

Q. What did Colonel Mack have to say?—A. The general impression I got by talking with each one of them was that nothing would be accepted except white marble; that that appropriation was for \$1,000,000, and the idea was to get just as good stones as \$1,000,000 would buy. Consequently, I took my starting-point from that—that if white marble was required, I was surely the lowest bidder. Now, what was to be done with the slabs was a question that was not settled in my mind, and I made a statement in writing, showing the advantages of accepting my bid for blocks, and other bids for slabs. I have a copy of that statement with me. General Meigs thought the contract ought to be divided. His first recommendation was that Walsh Brothers' bid for Italian marble be accepted. He told me that he wrote a letter to the Secretary of War, recommending that Walsh Brothers' bid be accepted. I have never seen that letter, but simply state what he told me. General Meigs became convinced from what he had seen that Italian marble would not be accepted for this work; then he recommended that the contract be divided to secure the completion of the work.

Q. Do I understand you to mean that he recommended that the division be made between yourself and these three other gentlemen for blocks and head-stones?—A. He gave me to understand that he had recommended that, three or four days after I presented that statement.

Q. When did you get notice that you would get a part of the contract?—A. [After referring to a paper.] It was October 27, 1873, by the following letter:

"You are requested to notify this office whether you will enter into a contract, with sufficient sureties, to furnish, under your bid for head-stones, all of the blocks required, except those for Fredericksburgh, Va, Camp Nelson, and Lexington cemeteries.

"By order of the Acting Quartermaster-General.

"Very respectfully, your obedient servant,

"A. J. MCGONNIGLE."

Q. What was your reply to that?—A. My reply was written here in Washington, although it was dated at Cromwell, Conn. I always dated my letters from Cromwell. I was here at the time. My reply is as follows:

"CROMWELL, CONN.,

"October 28, 1873.

"SIR: Referring to your letter of October 27, I would say I will enter into a contract, and give sureties, to furnish, under my bid for head-stones, all of the blocks required, excepting those cemeteries named by you. Should it be offered me, I would also furnish, under my bid, any cemetery or number of cemeteries with head-stones."

Q. Did you mean under your bid at \$5?—A. Yes, sir.

Q. Is there any response to that?—A. No, sir. That last portion of my letter I was not asked for, but I simply put it in, thinking if there was an odd cemetery that was not called for, it might be awarded to me.

Q. When did you enter into the contract?—A. My contract is dated December 31, 1873. [The witness exhibited his original contract.] I received notice of the contract previous to receiving the contract. [The witness also exhibited to the committee a copy of specifications attached to the contract.] I understand those specifications, in that form, are very scarce.

Q. Did you execute bond?—A. Yes, sir.

Q. And proceeded to carry out the contract?—A. Yes, sir; on my receipt of notice that the contract was awarded to me, I immediately arranged for the bond.

Q. How much did you do?—A. I went on and completed the stones for Brownsville, Tex., and shipped them to Brownsville. I completed the stones for Chalmette, New Orleans, and shipped them. I completed the stones for Baton Rouge, New Orleans, Mobile, Port Hudson, Barrancas, and Gettysburgh.

Q. Did you set up any stones?—A. The stones at Brownsville were set up. The stones taken to Chalmette were shipped and should have arrived there. I arranged with Mr. Bridges to take my contract, about the time that the stones for Chalmette should have arrived there.

Q. What was your understanding of the contract—that you were to furnish, complete and entire, all stones on the ground for the prices at which they were awarded to you?—A. Yes, sir.

Q. And you made no charges for extra work?—A. I did make charges for extra work at Gettysburgh cemetery. When I arrived at Gettysburgh cemetery, I found that it had been laid out in circles by the State, and they had arranged to set a curb on all those circles. They were so arranged that there was a large monument in the center, made by Mr. Batterson, of Hartford, Conn., and the graves of the soldiers were in circle around the monument pointing toward the monument. They had arranged to set a 10-inch curb around this monument in circles, and to cut the inscriptions opposite each body that was buried there. On two sides of the monument were a number of unknown graves, 979. On completing the cemetery, however, they did not get so far as to set this curb, but they put in the foundation. In putting in this foundation, they put in some stones that weighed a ton and a half. They came on the circle where it was necessary to remove them so as to set my stones. This foundation was laid in common granite that was picked up on the grounds there, and brought from different places; at any rate, it was a very solid foundation, and in order to set my stones, it was necessary to remove all that foundation, in order to get earth to set them in. I objected to that; I thought that it did not come under my contract to take out that whole foundation, amounting to many hundred tons of stone, and haul in earth to set those stones in. I therefore objected to it, and the Department awarded sixty cents a stone extra for removing the curb and for buying and hauling in earth to replace that foundation.

Q. Did the Department pay that extra amount?—A. Yes, sir.

Q. That was no part of the contract you turned over to Bridges?—A. No, sir. I say "no, sir;" about the time this was done, I was negotiating with Mr. Bridges, and the result was that I did turn this over to Bridges.

Q. But the account had been adjusted?—A. The account had been adjusted in my name on my own account, but as the transfer occurred about that time, I transferred the additional amount to him.

Q. Upon what terms did you sell to Mr. Bridges?—A. I sold to Mr. Bridges for a consideration, of course; that consideration was seven cents per stone set; that was my net profit. In addition to that, I reserved to myself the ten per cent. that was retained by the Government, according to the terms of the contract.

Q. In addition to the seven cents per stone, you got the ten per cent. reserved on the completion of each cemetery?—A. Yes, sir. In my sale to him, I also transferred to him stones for Baton Rouge, Port Hudson, Mobile, Gettysburgh, and Pensacola, and the expense of those stones and other expenses, up to that time, amounted to \$20,140.

Q. Was your pay for those stones, already furnished, to be computed in this seven cents per stone and ten per cent.?—A. No, sir; my arrangement with Bridges was such that he was to pay for the labor on all stones up to that time, which amounted to \$20,140.

Q. That was your entire remuneration for the sale of the contract?—A. No, sir; that was my entire remuneration for the work that I had in process at that time—for labor on stones that had been accepted up to that time; for instance, the Chalmette stones had been finished, accepted, paid for, and shipped to the cemetery.

Q. Did the Government pay for them before they were shipped?—A. No, sir; I had paid for them; they had been accepted by the Government. I had paid the quarrymen for the cutting of the stone, had shipped them to the cemetery, and had paid the freight. That was one charge to Mr. Bridges. The charges on the other stones, and expenses of that kind, amounted to \$20,140. He paid me that amount in notes and cash; I considered it cash; or rather Mr. Sheldon paid me. I did not pay much attention to Mr. Bridges, for I did not consider him responsible in the matter at all.

Q. Did you have any stones that were rejected by the engineers before you sold out to Bridges?—A. Yes, sir.

Q. What did you do with those stones?—A. Those were all laid aside. According to my arrangement for the purchase of stones, I was to receive such stones as were accepted by the Government.

Q. You did not pay for those that were rejected?—A. Not at all; because I had

nothing to do with them. I had a great many stones rejected on Chalmette cemetery. The greatest trouble was that they were not full size.

Q. What was done with those stones afterward?—A. They are at Sheffield, Mass., I suppose, at the present time.

Q. They were not removed to the cemeteries?—A. No, sir.

Q. Did you have any rejected after they were delivered to the cemeteries?—A. No, sir; I do not think I had. They were very particular on inspection of those stones, and it was understood that any stones that did not come up to a certain standard should be rejected at the quarry where cut, so as to save transportation; and, consequently, they were very particular on inspection. After the stones were delivered to the cemeteries, I do not know of a single stone being rejected, except it was broken in two. In shipping stones we always ship some extra stones to allow for breakage. If a stone was broken in two, of course, it would be rejected. I shipped 48 extra stones to Chalmette, to replace any that should happen to be broken in two. I do not know of any others. I do not remember the number that were broken in two, but I presume there were some.

Q. You did not have any rejected stones at Barrancas which you turned over to Mr. Bridges?—A. No, sir; I think not.

Q. What were your profits from that sale to Mr. Bridges?—A. I am sure I never put it in figures, but I am to receive seven cents per stone, and the ten per cent. that is retained by the Government. And I received \$20,140 for stones and labor up to the time of my sale.

Q. How many stones were embraced in your contract?—A. I find by actual working, that it has increased very much from the estimate; for instance, here is Little Rock set down at 37 stones, and there are, in fact, 2,700.

Q. Have you made any estimate as to about what will be the aggregate number of stones for the cemeteries you disposed of?—A. I cannot say exactly, of course, but as near as I estimate, it amount to 110,000.

Q. That would be \$7,700.—A. Yes, sir.

Q. And the 10 per cent. on 110,000 stones at \$2.42 would be \$26,620?—A. Yes, sir.

Q. And the \$7,700 and \$26,620 together make \$34,320?—A. Yes, sir.

Q. That was paid to you as fast as the cemeteries were finished?—A. Except the 10 per cent.; that was retained until the contract was completed.

Q. The entire contract?—A. Yes, sir; that is paid on the completion of the entire contract, and I have a bond signed by the parties that the contract shall be completed on time. The original time has expired, and has been extended, and in consideration of that extension, they have agreed to pay me interest on this \$55,000 from the 15th of May last, when the contract was to be completed.

Q. How near is it completed now?—A. As I understand it, it yet requires 46,000 stones—my part I am speaking of. There are in the vicinity of 70,000 stones, in all, delivered, set up, and *in transitu*.

Q. Did you sell to Bridges, or did you really sell to Sheldon & Slosson?—A. It was done in Bridges's name.

Q. He negotiated it?—A. Yes, sir.

Q. These other men became the sureties, did they?—A. I considered Sheldon & Slosson the persons I was doing the business with.

Q. Do you know anything about awarding a contract to three gentlemen for the slabs?—A. Yes, sir; I know that it was done; I know that it was offered to four.

Q. Do you know why it was awarded to three different persons instead of the lowest bidder?—A. I do not know surely, of course, but I have heard. I heard in general conversation at the time about the work as to what should be done; my opinion was asked in regard to it, whether, if the contract was given to Mr. Jones, I thought he would fill it or not. I have generally understood, and it was understood at the time, that if the contract was given to one party the prospect was that it would not be filled.

Q. Do you know any reason why one-third of that contract was given to Mr. Bridges at \$3.56 instead of being given to him at Jones's bid of \$3.39, that being the lowest bid?—A. The idea of the Secretary of War was, that if that contract for all those slabs was given to one person—to Jones for instance—he would not fill the contract. It was generally understood—now I am asserting a thing that, of course, I cannot swear to—but I know that it was generally understood that Mr. Jones was an irresponsible bidder, and they looked upon him as such; but if all the slabs were divided up, then they had confidence to think that the work would be done.

Q. What was understood about Mr. Bridges's responsibility as a bidder?—A. Colonel Mack went to Keokuk to ascertain whether he was a responsible bidder or not. I suppose he went at the expense of the Government, and I suppose he went expressly for that purpose.

Q. Do you know what he found out?—A. He came back and reported that any portion of the contract awarded to Mr. Bridges would be carried out. He got his information, as I understood, from George Williams.

Q. Am I to understand you to say that Mr. Bridges was considered of himself a responsible bidder, or that he could get good security?—A. That is the idea.

Q. The latter?—A. That the security offered by Mr. Bridges satisfied the Secretary of War and Colonel Mack that his part of the work would be carried out.

Q. Am I to understand you to say that if one-third of the contract, or even if all of it, had been given to Mr. Jones, Mr. Jones could not have given a good and sufficient bond for the execution of the contract?—A. No, sir; not at all. I think the impression was that he could give a sufficient bond. But Mr. Jones, at that time, was under protest; that is, he had an account that was unsettled as paymaster of the Sixth Army Corps.

Q. For how much?—A. I do not know the amount. I might tell by my papers at home. He had an unsettled account with the Government as paymaster, and also as Indian agent.

Q. Would not that have been a very good place for the Government to have saved their losses, if there were losses on that account?—A. I do not think it would. I think it would have added just that much more to it.

Q. Would not that have been a good opportunity for the Government to have saved an old debt?—A. I do not think it would. They might have saved an old debt, but they would have broken him up on this contract by retaining that money. He had no capital, so he represented to me. I know that that matter was talked of by the Secretary of War at the time, and I am fully convinced in my own mind that the reason why Jones could not make a move was for fear that the Government would retain the amount that they claimed was their due on his account; at any rate, I have received that impression from what he told me.

Q. But the Government did give him one-third of the contract?—A. Yes, sir.

Q. Do you know who his securities were?—A. I do not know, I am sure, except from what I have heard. I understood Dr. Blake, of Washington, was one of them, but that is simply hearsay. I have no positive knowledge in regard to it.

Q. Now I ask you, as I asked a while ago, if you can account for the reason why one-third of this contract was given to Mr. Bridges at a higher rate by some \$20,000 than Mr. Jones, who was the lowest bidder?—A. Simply this: the impression was, at the time, that any contract given to Mr. Jones would not be carried out.

Q. Is that any reason why Mr. Bridges could not have done his part on the contract at Mr. Jones's bid, as it was let to the lowest bidder?—A. He could not be called upon to do it at Jones's price.

Q. He could have been excluded, could he not?—A. If Bridges was called upon to do a certain portion of those cemeteries, Mr. Bridges must have his bidding-price for it.

Q. Can you give the reason why one-third of this contract was let to Mr. Bridges for \$20,000 more than Mr. Jones's bid would have aggregated?—A. I do not understand that it was \$20,000 more.

Mr. GLOVER. If you will make calculation you will see that it is.

The WITNESS. I know this: that the impression at the time was that whatever was given to Mr. Jones would have to be done by some one else.

Mr. GLOVER. But it does not follow that it would have to be done at \$20,000 higher price.

The WITNESS. Yes, sir.

Mr. GLOVER. That does not follow, because there is a contract given to another man at 16 cents less than Bridges.

The WITNESS. Yes; and what has been the result of that?

Mr. GLOVER. That is not the question. You are arguing now outside of the facts. What we are trying to get at are the facts.

The WITNESS. I am not arguing at all; I try to answer your question. Now, I know you ask we why it was that Mr. Morgan and Bridges were given a portion of that contract, they being higher than Jones.

Mr. GLOVER. That is not what I asked you exactly.

The WITNESS. So I understood. Now, the reason, as I understood it, that Mr. Morgan and Mr. Bridges were given a portion of the contract, they being higher bidders than Jones, was the lack of confidence in Jones to fill that contract; for the Secretary of War was satisfied—

Mr. GLOVER. You seem to argue that.

The WITNESS. That is the only way I can answer that question.

Mr. GLOVER. Let me state to you what you have stated. You have stated already that you considered Bridges irresponsible; that in selling him your stones, you virtually sold them to Sheldon & Slosson.

The WITNESS. Yes, sir.

Mr. GLOVER. And I infer from what you say, that if you had had the letting of the contract you would not have let it to Bridges, because of his irresponsibility.

The WITNESS. No; that is wrong.

Mr. GLOVER. And now you argue that it must not be let to Jones because Jones

could not have carried it out, when Jones has sworn here that he could have given as good a bond as any man in America; and if it had broken Jones up, that is a matter of no interest to the Government.

The WITNESS. You have not got my idea exactly.

Mr. GLOVER. We will start again, so as to make this as brief as possible, and get to the point. Here is a contract which was advertised to be let to the lowest bidder.

The WITNESS. I do not so read it.

Mr. GLOVER. What do you understand?

The WITNESS. I do not think the advertisement reads so.

Mr. GLOVER. Your view, then, is different from that of any other witness who has testified.

The WITNESS. Here is a copy of the advertisement I cut from the Chicago Inter-Ocean while I was in Chicago, [producing a printed slip.] The idea was, as I understood it, that the Secretary's intention was to let that work to parties that he could be satisfied, in his own mind, would fill that contract; that would furnish all those stones, and furnish them of the quality required under the terms of the contract; that would go ahead with the work and put up the stones without trouble. Now, he investigated that matter thoroughly, and knew personally every bidder that bid. The exertion of that whole Department was to find out who would fill that contract; who would furnish those stones and who would not. The Secretary became convinced that the only way these stones could be furnished—

Q. How do you know that?—A. By conversation with him and with parties there.

Q. Did the late Secretary of War tell you that he did not believe that Mr. Jones could execute that contract?—A. That was the general impression; yes, sir.

Q. Why did he let him have one-third of it, then?—Because he thought he could do one-third of it. He thought one third would reduce the business to his capacity. That is simply my impression from conversation with him. I do not know that he ever said that in those very words, but it has always been my idea after talking with him. He gave me to understand, after dividing the contract into three equal parts, it would reduce the contract to the capacity of each of the bidders, and neither of them was capable of doing the whole.

Mr. GLOVER. I come back to the original question, and hope you will be able to see it this time. Upon your view of this contract, I do not see why you might not have been given the slab-contract at \$5, although you were the highest bidder.

The WITNESS. No, there was—

Mr. GLOVER. If the Secretary of War has the right to select three or four men out of the whole number of bidders, and divide this work up among them at their respective bids, let that difference be what it might, involving as many hundreds of thousands of dollars as it might, I see no use in the world of advertising this bid; and your explanation that it is let out to one man at twenty-odd thousand dollars more than to another, when there is no evidence that he was any more solvent than the other, is a thing I do not understand.

The WITNESS. I have not figured that, but I think your estimate of prices, \$20,000, is more than double what it is in reality.

Mr. GLOVER. My recollection is that it is \$22,000, according to Bridges' estimate.

The WITNESS. That Bridges' estimate amounts to \$22,000 more than Jones's?

Mr. GLOVER. Yes; I think that it is more than that. Let me ask you what your understanding of the purpose of this advertisement was that you say you cut out of the Inter-Ocean?—A. Simply to invite proposals for head-stones for graves.

Q. Upon what terms; the lowest price and for the best material?—A. Both were to be taken into consideration.

Mr. GLOVER. Now I come to the original question again: do you know why one-third of that contract was given to Bridges at a probable price of more than \$20,000 over that of Mr. Jones, upon the idea that this contract was let to the lowest bidder?—A. I have always understood that that contract could not be filled by either of the previous parties; that is, by either Morgan or Jones. At first it was supposed to be necessary to divide it into four equal parts; consequently, one-quarter of it each was offered to Jones, Morgan, Bridges, and the Brandon Marble Company, of Brandon, Vt., supposing that the four would make a sure thing of it. The Brandon Marble Company did not reply to the letter they received. It was supposed that if divided among four there would not be any question about the work being done, but there was a question. It was talked at the time that the work could not be done for the money appropriated. Every one supposed so.

Q. That was a mistaken notion, was it not?—A. Every one supposed so; it was general talk; it was so among marble-men, and for that reason marble-men did not bid on it.

Q. Were there not about eighty marble bidders on it?—A. Yes; and how did they bid? Their bids probably run from \$2,000,000 to \$32,000,000.

Mr. GLOVER. There were very few out of the eighty that went above a million dollars; that is my idea.

The WITNESS. If I remember right, there were very few who bid for less than a million.

Q. How many are there?—A. [Referring to a printed slip.] Ten.

Q. Was not that a mistaken notion, after all the talk both in the War Department and outside, that no one of these men could do that work?—A. I do not think the result shows it.

Q. Is not Mr. Bridges doing all the work to-day?—A. Yes, sir.

Q. Then it was a mistaken notion on the part of the Secretary of War and everybody else that talked about it?—A. I do not think so, because I understand that if Mr. Bridges had not this work he would not be in the position he is. Mr. Bridges is supported by Sheldon & Slosson.

Mr. GLOVER. You assume that no other man in the United States could be got to do this work. Any one could have done it if the contract was given to him.

The WITNESS. That is not my idea at all; but I do think that if Mr. Bridges had not all this work to do he could not have got Sheldon & Slosson to take hold of it. There was not sufficient in any one portion of this work to induce them to take hold of it; but by his having the whole and placing it all in their hands, as he has done, that has induced Sheldon & Slosson to take hold of it.

Q. Are you aware that Sheldon & Slosson had already taken hold of it before he bought your contract?—A. I am not at all.

Mr. GLOVER. It is a fact that they were his backers on the one-third?

The WITNESS. That is a mistake.

Mr. GLOVER. You think you know more about it than Bridges?

The WITNESS. I think I know that that was a mistake.

Mr. GLOVER. Mr. Bridges has sworn here that he went there and made the arrangement with those gentlemen.

The WITNESS. I cannot help that. I went there with Mr. Bridges myself when he first went there to buy the stone.

Q. When was that first time that he went there?—A. I mean the first time after the job was let. Bridges went there once previous to that to see what he could get the stone for. The first time I saw him after he got the contract, I went with him. I knew Mr. Bridges' position at that time, and I knew mine. I know that Mr. Bridges bargained for the stone at a certain price to be paid for by George Williams on 30 days' time.

Q. Do you say that Bridges could not have executed one-third of the contract unless Sheldon & Slosson had backed him?—A. I think Bridges could through George Williams, but I do think that the whole contract could never have been carried out except by Sheldon & Slosson.

Q. You think that nobody else in the United States could have carried it out on the same terms and at the same price?—A. I do think that. In fact, I know that if Jones had gone to Sheldon & Slosson with that matter, if he had that contract, they would not have taken hold of it. I think that if Morgan had that whole contract and had gone to them they would not have taken hold of it. I think that Mr. Bridges' going to Sheldon & Slosson with that matter, together with other considerations, caused them to take hold of it.

Q. What other considerations?—A. His arrangement with me, and Sheldon's and Slosson's conversations with me in regard to it.

Q. What did Sheldon & Slosson get out of this contract?—A. I have their agreement down at the house, but I could not say just here what it is. They get interest on the money advanced; they get a certain price for the stone, and they get a certain interest on monthly balance; they get 90 cents for blocks, and \$1.41 for slabs.

Q. Delivered and finished?—A. No, sir; that is, they get \$1.41 for slabs ready to finish—sawed to size. Then there is the expense of finishing, of which an account is kept; expense of transportation to the cemetery, of which an account is kept; and I have always understood that on the monthly balance they charge up the interest; that they were to be paid a certain interest on that balance, although I possibly may be mistaken about this, but I think I am not.

Q. Interest on what they advanced?—A. Yes, sir.

Q. You had no lettering, I believe?—A. I had figures put on.

Q. How did you execute that; by hand?—A. Yes, sir; it is all done by hand.

Q. When did you first know Mr. Bridges?—A. I knew him soon after those bids were opened; that was the first time I met him.

Q. You did not know him before the opening of the bids?—A. No, sir.

Q. Were you present at the opening?—A. Yes, sir.

Q. Where were those bids delivered?—A. They were delivered at the Quartermaster-General's Office.

Q. In what way were they delivered?—A. Of course I cannot answer for the whole, because I do not know that they were all delivered in the same manner; but I took my bid to General Meigs and handed it to him in person. I was well acquainted with General Meigs, and had had a previous talk with him. He understood that I was to

be a bidder, and when I handed him my bid he told me to take it into the other room, and I took it into the other room to Captain McGonnigle.

Q. What did you do with it?—A. I just handed it to him and left it with him.

Q. Did you understand that there was a basket there, into which these bids were deposited?—A. I did not see any basket.

Q. Whose bids were opened first?—A. I am not sure; I could not say.

Q. Would not your original memorandum show?—A. Yes, sir; I think it would—that is, I think I could get at it from my memorandum, but I am sure I could not say now. I know about where my bids came; I paid more attention to them.

Q. Did you see any bid or bids put in after the opening commenced?—A. No, sir; not one.

Q. Did you hear of any being put in after the opening had commenced?—A. No, sir; and further, I know that there could not have been one put in.

Q. Why?—A. General Meigs sat at the end of the table—

Q. Did General Meigs open the bids himself?—A. He commenced to open the bids.

Q. Are you certain of that?—A. I know it. General Meigs sat at the end of the table, and Captain McGonnigle and one of the clerks, either Mr. Finkle or Mr. Wolcott—I am not certain about the name, because they were strangers to me at that time—sat at the side of the table. I have often thought that the clerk's name was Wolcott, but I may be mistaken about that. General Meigs sat at the end of the table, and these parties sitting at the side of the table opened and prepared those bids; that is, they took them and handed them up as fast as they were opened, and General Meigs read them.

Q. How long did he open and read the bids?—A. I am sure I could not say, but I know he read thirty. I am speaking from memory, now, and I should judge that he read as many as thirty, and I am under the impression that he read forty. The room was very hot; there were a great many there; we were all sitting at the other end; General Meigs was sitting at the end of the table, and I was sitting at the side of the room; at any rate, I was sitting where I could see every bid that was opened; I saw my own bid; I recognized it by the envelope it was in.

Q. Had you prepared your bid here in Washington or at home?—A. Here.

Q. You did not hear any complaint at that time of a bid being put in after the first bids were opened?—A. No, sir; there was no complaint; there was not such a thing talked of.

[The witness exhibited to the committee a copy of his bid.]

Q. Does your bid embrace all the cemeteries in the schedule?—A. Yes, sir.

Q. You bid on the whole?—A. Yes, sir.

Q. Did you ever talk with Bridges about a second bid of his?—A. No, sir; I never knew that he had a second bid.

Mr. GLOVER. He put in two bids.

The WITNESS. I was not aware of that fact.

Mr. GLOVER. He put in a second bid on a small piece of paper attached to the printed bid.

The WITNESS. I remember of hearing such a bid read, but I do not remember the shape it was in or the condition it was in. I was under the impression that he had but one bid.

Q. There was no complaint of that kind of a bid at that time?—A. No, sir; none whatever.

Q. Did Mr. Bridges propose to you to buy you out, or did you propose to him to sell out at first?—A. I think I proposed to him. At that time I was very sick. I had a certain conversation with Mr. Bridges. I was feeling bad, and I asked him what he would give me for my work, and told him I did not believe I could finish it. I think I asked him without his mentioning it at all. Before that I telegraphed to him in Iowa that I would go to Chicago as soon as I could arrange the matter to meet him there, and I did meet him there. We did not arrive at any conclusion in regard to the matter at all. I went with him down to Keokuk, and we did nothing there. I came back home. He afterward came on there and found me sick abed. I was not able to see him, and all the conversation and arrangements in regard to that transfer were made in writing with him in my dining-room and sent to me up-stairs, and I replied to him in writing and sent to him below, and I have the whole of that correspondence.

Q. Do you know what he gave to Morgan for his interest?—A. No, sir; I do not. I was told that he was to pay Morgan \$20,000, but I was told afterward that Mr. Sheldon could not see his money back again, and would not take hold of it, and it was then reduced to \$13,000 or \$14,000, I do not know which. Soon after this transfer to Bridges I started for Rutland, and was taken sick on the cars. I sold out my contract on account of what had happened to my family previous to that time, and on account of my sickness, and nothing else.

By Mr. MACDOUGALL:

Q. What is your business?—A. During the war I was manufacturing ammunition for the Government.

Q. What was your business at the time you put in bids for furnishing head-stones?—

A. I was really doing nothing. I was in Chicago at that time on another matter.

Q. What was it?—A. My business is manufacturing. I have always manufactured since I have done business. In the first place, my father died and left me with a manufacturing establishment at sixteen years of age, and I took it and run it.

Q. What sort of a manufactory?—A. Brick and building. The business amounted to about \$40,000 a year.

Q. Were you present when these bids were opened?—A. Yes, sir.

Q. Did you see any irregularity in that matter?—A. None at all; there was none.

Q. Did you see anything of a bid dropped in after some others had been opened?—A. It could not have been possible; there was no such bid put in; I am under oath, and know what I am talking about.

Q. When did you arrive in this city?

The WITNESS. At that time?

Mr. MACDOUGALL. No; at this time.—A. Night before last.

Q. Have you seen Mr. Sheldon, of the firm of Sheldon & Slosson?—A. Yes, sir; I saw him last night.

Q. What conversation did you have with him in relation to the testimony you were to give here to-day?—A. There was not a word said in reference to it; I met him at the train. He is quite an old gentleman, and is nervous and excitable, and was anxious about this matter. He was fearful that there was going to be some trouble about it. I knew he was anxious to learn what had been done, so I sat up and waited for the 11 o'clock train to come in, and went and met him at the train and walked with him over to the hotel. I told him, as far as I knew, what had been going on, and how matters stood—that nothing had been done; that the evidence was not closed; that there was nothing to alarm him; that he had better go to his hotel and get a good night's sleep. I did not talk in regard to the evidence; he never asked me a question. I told him I had been subpoenaed here. He never asked what I knew about it or what I was going to say. I met Mr. Bridges the night before last, and I saw him again last night, but my conversation with Bridges does not amount to anything because Mr. Bridges is not a particular friend of mine; I do not think much of him.

Q. You sold your interest in this contract, I understand, to Mr. Bridges?—A. Yes, sir; that is, in Bridges's name. I did not consider Bridges the responsible party; I did not consider, when I was talking about the transfer and about the sale, that I was selling to Bridges. It was wholly conditioned on Sheldon & Slosson signing the bond for the completion of the contract, and wholly on the ability of Sheldon & Slosson to furnish, deliver, and set the stones.

Q. What profit did you make in that sale?—A. I am to make 7 cents per stone, and the 10 per cent. that is retained by the Government.

By Mr. GLOVER:

Q. You throw away all the work you did?—A. O, no; I get all the stones previous to the sale, and the labor previous to the sale, which amounted to \$20,140; that I received from Sheldon & Slosson in the way of notes.

By Mr. MACDOUGALL:

Q. What number of stones did you furnish under your contract?—A. It is not known yet how many stones, and cannot be until all the lists are made.

Q. About how many?—A. I should judge about 110,000; that is, it was estimated at 105,000 at first, but the increase up to the present time amounts to a little over 5,000, so that it will amount, unless there is a decrease, to about 110,000.

WASHINGTON, April 8, 1876.

CHARLES SHELDON, of Rutland, Vt., being duly sworn, made the following statement:

The first intimation I had of this matter was through either Mr. Sage or Mr. Bridges. I told them at what prices I would take a part of the head-stones and a part of the blocks. Our business is very large, and in sawing an order for our regular customers, we have a great many small pieces that we could work up in this way, and we gave them very low figures for that reason. I heard little more about it until at the time of the letting. My son was in Washington soon after the opening of the bids, and saw some persons here on the question of Italian marble, he stating that the American was far preferable for durability. Go out, for instance, and look at the statue of Washington, also of Columbus, and see how the pedestals on which they stand are cracked, and statue of America, one leg cracked off. General Meigs cited these as instances where there had been exposure and no cracks at all, not having noticed them for some time.

My son came down here with reference to that question, and I knew nothing further until I received a telegram from Bridges stating that he had got a portion of the contract, and wanting to know if we would sign his bonds. I telegraphed back, "no;" but that if he got responsible parties to indorse his paper, I would give him stones on sixty days' paper, and on longer time by adding interest. I may have seen Mr. Sage; I don't remember; but he knew what I would do, for he was a man of some responsibility and a man of business capacity. I had a visit from Mr. Goodell, of Brandon, and he told me the amount for which the contracts were let, and said they could never carry them through at that rate. He said that he knew they could not, and said that if we would join him and hold back, we would get that whole million; and he endeavored to have me enter into an arrangement to do that, which I totally refused to do. Bridges found a man named Williams, in Keokuk, to back him.

Williams gave me a written order for the slabs, to be shipped in his own name. He is a responsible man; and by the way, he did caution me against Mr. Bridges. We commenced to furnish slabs to order of Williams, and blocks to Sage. Satisfactory arrangements were made with him, but I would go no further than I could furnish in my regular business, from material that was smaller than would meet the general wants of my trade. Mr. Bridges in some manner got Mr. Sage into an offer to sell out his contract. He induced my son to come down to see Sage, who was sick, and there gave a power of attorney inducing my son to sign his (Bridges') bond to Sage, and thus brought us responsible for the entire block contract and purchase money to Sage. I offered Bridges \$10,000 at once if he would find some other parties to step into our shoes. Bridges moved a little slow in his contracts, and Williams got into difficulty with Bridges, and the whole thing stopped so far as the Bridges-Williams contract was concerned, and I was written to to come to Washington, and when here, I got a request to interview the Secretary of War in regard to it. I told him the difficulties with Williams and Bridges. Williams had withdrawn his order, and Morgan and Jones had done little or nothing, not more than one per cent. on their 100,000 slab contract in a year. Negotiations were made, and I saw I could not get rid of Sage's contract, blocks and slabs all going to one place, and if I got a little less than cost on the slabs the same superintendence would do, and I finally took hold of the matter, but I tried very hard to get hold of some responsible party and to get out of the thing, and I still had the \$10,000 ready for any one that would relieve me. In the mean time Bridges had control of the sand-blast, or the right to use it. He had set some cemeteries with marble that we had furnished. I saw that the sand-blast removed a very great objection, and I thought made it possible to carry the contract through with good management without loss. As I say, I furnished the means and followed up the trace to some western cemeteries, and I felt with that we might get out safe; still, as it was a business far away from home, I held out the \$10,000 offer right straight through. I galvanized the whole thing into life when it was dead, with the exception of the Sage contract. I shall probably lose some money, but I do not think I shall lose very much. That, in short, is the way I got into this matter. It has taken more capital than I ever expected.

By the CHAIRMAN:

Q. How much profit does Bridges get out of the thing?—A. He has got nothing at all yet. He is ostensibly the contractor.

Q. His profits are entirely contingent?—A. His profits are entirely contingent. He won't get as much as he paid Morgan and Jones; I am very certain of that. We have got the far-western cemeteries done. With what is due from the Government, the cemeteries are yet in debt to us about \$25,000. Whether that can be made up on the balance I do not know. I yet hold my offer good, and will thank any man to step into my shoes. As to the material and the manner in which the work is being done, all these stories in the papers are infamous lies. The Sun had a long article the other day about certain material being rejected at Brandon, saying it was the better class of marble for monumental purposes. *That* was brought down here to Morgan—that same marble—and after the Brandon Marble Company pleaded with me to take this off their hands, I paid for it, and not over two-thirds of it has been received by the Government. I became somewhat familiar with the objection thought to exist to dividing this matter up. Jones was the lowest bidder by one cent on Morgan and seventeen cents on Bridges. There was very little confidence on the part of the Secretary of War that either one of them would carry it out, and he was trembling; but when he got Williams hold of it, he thought *that* part might be carried through, but he was doubtful as to the rest. The first year elapsed and but little was done by Morgan and Jones. Some small quarries had got out stone for them, but they would not ship them until they got the money, and there they lay. I furnished the money, and where there is a chance of two or three thousand to be obtained at the prices we are charging, I let Bridges buy and I pay for them. I pay the money and charge him six cents apiece. Jones and Morgan gave good bondsmen, but you know the difficulty of that. If it had gone into the market at that date, the bonds given by those men, fully paid, would

not have furnished the stone. Nothing made it possible to do that work without a large loss except the sand-blast. It would require two hundred men, and with that number of men, you know the difficulty of keeping them employed. The finishing would be in the hands of the Stone-cutters' Union; it is a close corporation, and they are paid four or five dollars a day.

Q. Who was in charge of the Barrancas cemetery, Florida; was that Morgan?—A. He started it. He had arranged for the stone, I think, at Brandon.

Q. Then he sold out his contract and his material there?—A. Yes, sir; he had not paid a cent for it.

Q. Do you know anything about that material having been rejected by one of the engineers and afterward accepted when sold to Bridges?—A. Yes, sir; I know all about it.

Q. Can you explain why it is that the stones were rejected under Morgan and accepted under Bridges?—A. It is not wholly true; it is only true in part. The circumstances were these: The stones, or a portion of them, were out for the Barrancas cemetery, and, I think, a few stones for some other; the engineer went up there and examined the lettering of the stones; they were not exactly situated where he could see whether they were sound or not, and he saw that there were many errors in the lettering, and that a portion of them were roughly done, and he insisted that they should be placed where he could examine them. He said, "You know, gentlemen, what the agreement is, and you prepare them for another inspection. I will be over at such a time." He came up again, and the same difficulty then existed. I do not know this except as I sent my man up there to see what there was of it. That was after it was purchased by Bridges. Then a large number of the stones were rejected. I think there was more time and trouble devoted to preparing those stones than to any other ten thousand. After Chenoweth had passed them, I sent my own man up there to examine them. I knew that the marble is what is called laminated marble, and it requires pretty close inspection. There are liable to be cracks with the grain, which an engineer like Chenoweth would not be apt to discover. I knew that freezing and thawing would open those seams, and I sent my man up there to take out a number that had to be replaced. After all this was done, the stone were taken and I paid for them.

Q. What is your knowledge of Mr. Chenoweth as regards his qualification for the position he holds? He is quite a young man, is he not?—A. They tell me he is. He has got some considerable science, but he is impulsive, and, I think, lacks judgment in regard to these things. I have been excessively annoyed; it is a very unpleasant thing for me to have a boy come in and inspect work that I have passed upon myself. I have never had a business difficulty in my life, and I am perhaps not a proper judge as to his capacity, but it is very unpleasant to be at his mercy. If General Meigs came and said that this was wrong or that was wrong, if it was a man that I thought was capable of judging, I would not object; but there are one or two others of the same character.

Q. Do you know how those young men were appointed, Chenoweth and Clark?—A. I do not know anything about that at all. After a competent engineer had passed upon the stone at Beaufort, S. C., he received instruction that required him to make some alteration in some stones that were injured *in transitu*, and he did that in conformity to his instructions, but he was recalled to Washington, and this Clark was sent on there, and he did not like the way it was done, and said it must be done the other way at great cost. Still, the young man was honest. There is no unbusiness-like transaction connected with this head-stone matter that I have known of, with the exception of the short-sighted policy that I have pursued myself, and the wrong that I think the contractor submitted to in allowing these blocks to be separated, although the separation saved the Government \$100,000.

Q. Did Mr. Morgan ever propose to sell to you?—A. I don't remember whether he did or not. I know he wished me to furnish him stone, and offered me \$10,000 on the 100,000 slabs in advance of what I was getting from Bridges at the time. I refused to touch them.

By Mr. TERRY:

Q. Have you any interest in the quarries where these stones are gotten from?—A. I own them.

Q. Had you ever made any such remark as the following: "When Morgan proposed to sell to Sheldon, Sheldon replied to Morgan, 'Can't purchase, because I will have to pay a large sum to somebody in Washington?'"—A. Never a word of that kind at all; not an intimation.

Q. You have no knowledge, in the distribution of these contracts, of anything being paid to any parties about Washington?—A. It seems to me absolutely impossible, for this reason, it is a low figure, and I know the cost, and don't know where the money could come from. The contractor cannot pay for a telegraph message. I have got in

my pocket now a written appeal from him to pay his hotel-bill. I received it when I arrived here last Thursday. He has got nothing. Well, he has got the sand-blast.

Q. Who is that?—A. Bridges.

Q. Were you here at the bidding?—A. No, sir.

Q. Had you ever any conference with General Meigs or General Belknap in regard to this matter?—A. I never did. Prior to the bidding, my son, Charles H. Sheldon, saw President Grant, General Belknap, and General Meigs.

Q. Was Charles H. Sheldon a bidder?—A. O, no. He came on here and said there was no chance for a responsible bidder.

Q. I find among the papers a letter from a member of your firm stating that the firm of Walsh Brothers did not exist in New York.—A. I guess it does not say that; he may have said "not as marble-men."

Q. It says, "There is no such firm here."—A. He could not find the firm as marble dealers; they were not known as such.

Q. Was that letter written by a member of your firm?—A. Yes, sir; Charles H. Sheldon, one of my sons, who was then a member of the firm.

Q. Had he or the firm any interest in this contract at that time?—A. Not a particle, sir.

Q. Did they expect any interest in it?—A. No, sir; no further than I had given the prices for which I would furnish Sage 50,000 of the blocks, and Bridges 50,000 of the slabs.

Q. Who requested him to go to New York and see whether there was any such firm as Walsh Brothers or not?—A. I do not know that fact. Can you get that letter?

Q. I will state that we can get the letter, but we should like to have seen your son here in place of yourself.—A. I think if you read that letter over you would not see any necessity for it.

Q. Well, if he had no interest in the contract and was not requested by the War Department, why should he be in New York writing such a letter as he did?—A. I could tell you. I sent him to Washington to find out why General Meigs had got prejudiced in favor of Italian marble. He came with several letters of prominent marble-men. It was to protect the reputation of American marble.

Q. I have a letter dated—

"178 BROADWAY, N. Y.,
"October 17, 1873.

"DEAR SIR: After diligent inquiry among all the prominent marble-dealers in this city and Brooklyn, I cannot find any one by the name of 'Walsh Brothers,' whose names appear on the samples in the Quartermaster-General's Office. I would respectfully call attention to the fact that the samples are all Italian marble, unsound at that, and that the name of 'Walsh Brothers' is undoubtedly a cover for some firm dealing wholly in Italian marble, and who, under existing revenue laws, are able to have the entire work finished in Italy, and imported free of duty as 'Works of art by American artists residing abroad.' As labor is so cheap in Italy, is it just to American laborers to have this work taken from their hands?

"Very respectfully, yours,

"CHARLES H. SHELDON,

"West Rutland, Vt., firm of Sheldon & Slosson, West Rutland, Vt.

"Colonel O. A. MACK,

"War Department, Washington, D. C."

Q. This letter was written by one of your firm?—A. Yes, sir.

Q. Had your firm any interest in this contract at that time?—A. None but the memorandum agreement that I spoke of, that we had told Bridges if he would furnish satisfactory security we would furnish so many head-stones.

Q. This letter is dated October 7, 1873; had you any contract with Bridges at that date?—A. No contract at all; only we had stated for what we would furnish him fifty thousand head-stones. He expected to get them all, and we said that we would furnish only so many, at a price given, if he furnished satisfactory security.

Q. What was the inducement for writing this letter?—A. It was to show, and get an opportunity of showing satisfactorily, by reference or in any other way, that the Italian marble, in the first place, was not as well fitted for this climate as American marble was, and to show that it was a foreigner that was acting through Walsh Brothers; because, if he was a practical marble-man, he must have known that it could not have been done in this country for the prices he mentioned there without machinery.

Q. The letter says, "On inquiry among all the prominent marble-dealers in New York City and Brooklyn, I cannot find any by the name of Walsh Brothers, whose names appear on the samples in the Quartermaster's Office;" is it not a fact that the firm of Walsh Brothers is one of the largest in New York City?—A. I have never heard of such a thing. I have never been able to find marble-men that told me that they were anything else than stevedores, taking large contracts for unloading ships.

By Mr. GLOVER:

Q. You know there was such a firm as that?—A. Yes, sir.

Q. Did you know of a firm of that name having a marble-yard?—A. No, sir.

Q. Was the inquiry a very diligent one?—A. I don't know; the inquiry was made by my son; and I know I examined the Directory and I could not find them as marble-dealers.

Q. Who requested your son to make this examination?—A. I sent him to Washington to see if any efforts were being made to introduce Italian marble into this contract, and if he found that that was so, to take measures—through Struthers & Co., of Philadelphia, Fisher & Bird, of New York, and Batterson, of Hartford—to satisfy General Meigs that Italian marble was not as well fitted for our climate, for out-door monumental work, as American marble. Those were the instructions that I gave him.

Q. How much money have you paid to Bridges or any other person on this contract?—A. I have paid Mr. Sage, I think, \$11,000; I have paid Mr. Morgan \$13,000 for Bridges's notes, amounting to \$20,000. Mr. Sage has a larger sum left, because he has the reserved 10 per cent. and 7 cents per stone. I think I paid him at one time three thousand and some odd dollars on that. The \$11,000 was a bonus on the contract, and then 7 cents a stone, and then the reserved 10 per cent. he had the privilege of drawing. If there was 100,000 stone, it made altogether \$42,000 that he was to get from the contract.

Q. Mr. Sage gets \$42,000 altogether for his profit in the contract for selling out?—A. Yes, sir.

Q. Are you bound to pay that?—A. Yes, sir. There would be a small profit on the blocks, which, for the most part, will be eaten up by loss on the head-stone slabs.

Q. Then Mr. Sage is to get \$42,000 and Morgan \$20,000?—A. That is Bridges's bargain, but I repudiated it, and I would not pay anything. I tried to get the Secretary, as it had lapsed, to put it into the market again, but he said he would not extend one without the whole. In many instances we can get 500 tons of head-stones and slabs delivered for 40 per cent. less freight than we could 250 tons.

Q. That makes \$55,000 that you have paid for Bridges as purchase-money for Morgan and Sage's interest. Has anything been paid to any one else?—A. I wish to impress upon your minds that I tried to buy off from the Sage contract for \$10,000. I offered it but did not succeed.

Q. Now, do you know of any money other than the \$55,000 having been paid at any time heretofore or contracted to be paid at any time hereafter to any other person whatsoever for any purpose whatsoever, besides Mr. Bridges, upon this contract?—A. There is no contract to pay even Bridges, unless there is a residue after paying this other.

Q. Then you answer that you do not know of anything paid or to be paid?—A. I wish you to separate the question in regard to the \$55,000.

Q. Well, I do not wish to. I wish to have an answer.—A. I know of no person; there is no contract to pay any money, further than that sum.

Q. Nor of any person whatsoever to whom any money has been paid further than that sum?—A. No other person.

Q. Did Mr. Bridges, at any time, state or claim to you that the contracts had cost him money to get them?—A. No; only traveling expenses.

Q. Did you ever at any time, or did any member of your firm ever at any time, or did any person, for or on behalf of your firm, ever or at any time before or since the making of the contract you are now filling, have any conversation with the late Secretary of War, General Belknap, upon that subject?—A. Before the contracts?

Q. Before or since.—A. Yes, sir; before I bought Bridges's notes that Morgan had.

Q. Who had that conversation with the Secretary of War?—A. Myself, with the Secretary of War, at his own office; introduced by Senator Morrill, of Vermont.

Q. What was that conversation in reference to?—A. I cannot remember the exact words of it. I remember that the Secretary remarked that this thing had come to a standstill, with the exception that we were then doing a little on the Bridges matter, and he should like to see it put in the way of continuance. I think the expression was a "resurrection."

Q. Was that all your conversation with him?—A. No, sir. I told him then that my opinion was that the best way was to let the thing lapse, and call upon the bondsmen.

Q. Anything further?—A. He replied that he very much disliked to do that; that there was a million dollars appropriated, and these contracts were let for less than \$800,000, and he should take a great deal of pride in being able to cover that amount back into the Treasury; I may not use his exact words.

Q. Has it come to your knowledge at any time, or have you now any knowledge or information whatever, of any money having been paid or to be paid by Mr. Bridges or other persons for securing these contracts?—A. No.

Q. You have never had any intimation of the kind?—A. O, I have seen in the papers intimations, but I knew there was not any money to pay unless it came out of our pocket, and we took care that none of our money went that way.

Q. Do you know of any person largely interested in your contracts ever at any time paying or agreeing to pay to any persons any money for political or any other purposes?—A. There are other purposes. We are the only parties of any interest in this contract.

Q. What other purposes?—A. I have paid Bridges \$150 a month to support his family with. I don't know of a dollar of money connected with these contracts for any other purposes at all.

Q. It is not the money connected with these contracts I ask about; it is persons connected with these contracts.—A. I have not paid for political purposes within twenty years. I have lived in Vermont, where it is not necessary to insure success. Williams was to have half the profits for furnishing the means for carrying out the Bridges contract. That was the arrangement. I saw all the papers, and settled the quarrel between them. Williams tried to have me get him out. I paid Williams for the inventory of property on hand—I think seven or nine thousand head-stones. I don't remember the exact number. This was an inventory of the property he had finished on hand and some machinery connected with it, and for the reserved 10 per cent. on the contract, represented to me to be worth \$33,000 in all. I bought that material, the marble on hand, and the reserved 10 per cent., and paid him \$30,000.

Q. Can you say that the contract between Bridges and Williams was that Williams was to have a certain per cent. of the profits?—A. Yes, sir; the contract, so far as that is concerned, was a verbal one, but they both told me that.

Q. Do you know what part of that \$33,000 Williams got as part of his profits under the contract with Bridges?—A. From the inventory of property as given me he did not get anything. I paid him \$30,000, and he says his books will show a loss of \$5,000 now, and I believe him.

Q. Do you know about when you saw Bridges for the first time, and where?—A. I never saw him in my life until after Mr. Stephen Goodsell came there and tried to form a combination to prevent this contract from being carried out. It was some little time after that that Bridges came to my place, the first that I ever saw him.

Q. Was Bridges at your place between the 2d and 6th of September, 1873, of the year that the contract was let?—A. I don't think he was. I never saw him until after the contracts were made.

Q. Where did he come from when you saw him after the contracts were made?—A. I think he told me he had come from Keokuk; that he had been to get Mr. Williams and somebody else on his bonds.

Q. Did you meet him in New York at any time?—A. No.

Q. Or the Secretary of War?—A. No. I remember some other conversation, in regard to these contracts, with the Secretary of War. He said emphatically to me, "Mr. Sheldon, I want you to take hold of this; but I have told Mr. Bridges that I can do nothing for him under the circumstances in any possible way. I say this to you, that you should not have any expectations in the way of"—his expression was that he could not do it, and I must say that I thought he might perhaps favor us in some point where there would be disputes, but he told me emphatically that he could do nothing, and at the same time he said that he loved Sam. Bridges more than any living man, because when he was in the Army, Bridges was at home and took care of his family, bought everything for them, and took as good care of them while he was away as a brother or a son could have done; but, said the Secretary, "in this matter I will not and cannot do a thing." I told the Secretary I asked nothing but what was right. I saw him, I think, but once afterward, meeting him on the street. I was in Washington several times, but never called on the Secretary after that.

I call especial attention to the following statement, which is part of my testimony:

In reply to the question, "How much did you pay for the Morgan and Jones contracts," I should have said: Several months prior to the purchase of the *balance* of the Morgan and Jones contracts, Morgan assigned to S. G. Bridges about twenty cemeteries to complete; these comprised the most difficult and expensive cemeteries in the Morgan and Jones contracts. For these cemeteries Morgan received nothing in the way of payment, desiring to get them off his hands. A member of my firm assumed to furnish money and marble to complete the twenty cemeteries, forgetting that 10 per cent. of the contract-price would be reserved by the Government until the entire Morgan and Jones contracts were completed. The amount of the reserved 10 per cent. (including one additional cemetery, assumed after) amounted to over \$9,000, which would be lost to my firm if the entire contract was not completed. To avoid this loss I finally bought from Morgan four notes made by S. G. Bridges, of \$5,000 each, paying Morgan \$13,000 for the notes, which carried the Morgan and Jones contracts with them. At the time I made the purchase I considered I was practically advancing the \$9,000 reserved by the Government, and paying four thousand dollars for the notes and balance of the Morgan and Jones contracts.

WASHINGTON, D. C., *June 12, 1876.*

Present, the chairman and Messrs. Cook and Hurlbut.

WILLIAM H. DUNKINSON sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. I reside in Baltimore County, near Baltimore City. My business is principally at Washington, in prosecuting claims, &c. I have been only living in Baltimore County about four years; I have lived here since 1852.

Q. Have you any knowledge of the corrupt or improper use of money, either in the lettings or by parties who got the contracts for furnishing head-stones?—A. Not the remotest in the world.

Q. Have you any knowledge of any money being used by parties interested in those contracts for political purposes?

(Objected to by Mr. Hurlbut.)

A. I have no knowledge of any moneys having been used for any such purpose.

The CHAIRMAN. I heard that you had stated that \$25,000 of money of those parties had been used for political purposes, and I was urged to call you for the purpose of proving that fact.

The WITNESS. No money was ever appropriated or ever handed to me for such a purpose, nor do I know of any such transaction in that contract arrangement.

Q. Do you know of it in any other arrangement?—A. There was no other arrangement connected with that particular contract that I know of. I am perfectly willing to state my entire knowledge of the whole thing from the beginning.

Mr. HURLBUT. The only thing we care about is whether or not any improper influence of any kind was used to procure that contract, or whether any funds or profits derived from it were improperly used or given, under the guise of political assessments or anything else.

The WITNESS. Not one solitary dollar, within my knowledge, on the contract obtained; and I think I have a pretty thorough knowledge of the whole transaction.

The CHAIRMAN. Was any money so paid on a contract that was expected to be obtained?

The WITNESS. When?

The CHAIRMAN. At any time.

The WITNESS. I do not know how to answer that question. I have no knowledge of any money that ever was obtained or placed for any object of corruption. If the committee insists, I will give any knowledge that I have in regard to that tomb-stone arrangement, but I think I ought to be confined to the tomb-stone contract as obtained.

The CHAIRMAN. Or any other contract that was not obtained?

The WITNESS. There was no other contract in relation to it. In no transaction that I have ever had any connection with was there any corruption or improper use of money that I know of.

Q. Do you know Mr. Jones?—A. Very well. I was Mr. Jones's attorney, and obtained that contract for Mr. Jones.

The CHAIRMAN. Mr. Jones is the gentleman who asked that you be called, to give any evidence or information that you may have in regard to the use of money in the connection named.

The WITNESS. I received a communication from Mr. Jones, in which he called to my recollection the fact of my having mentioned to him something in regard to an original contract with other parties, and I very promptly answered him that he had misconceived the whole matter, as he had really done. He had supposed that I had said to him that I knew that a large amount of money had been used in the presidential campaign for General Grant. I never intimated any such thing.

WASHINGTON, D. C., *May 18, 1876.*

JOHN C. COMFORT sworn and examined.

By the CHAIRMAN:

Question. State your occupation and residence.—Answer. I am a contractor by occupation; my residence is Shiremanstown, Cumberland County, Pennsylvania.

Q. Have you at any time been contractor to furnish to the Government gravestones for soldiers' graves?—A. No, sir; but I was a bidder under the general letting.

Q. In what, if any, way have you been connected with the cemeterial department?—A. I at one time had a contract to hedge the graves of the cemeteries in five States—New Jersey, Pennsylvania, Maryland, North Carolina, and West Virginia. Those in West Virginia I was not called upon to hedge. The contract was let by Col. Henry C. Hodges, A. Q. M., of Philadelphia.

Q. Who was the inspector of your work?—A. I did the work in the spring of 1871, and at that time that class of work was reported by the superintendents of the cemeteries, and the payments were made upon their certificates. There was no difficulty about that; everything went along peaceably at that time. They reported the linear feet of work done, and certified that it had been done.

Q. What, if anything, do you know of corrupt practices on the part of any of the officers connected with the cemeterial work?—A. In the summer of 1872 I was a bidder for the building of the walls of the national cemeteries of Beaufort, S. C.; Memphis, Tenn.; Raleigh, N. C.; and also for the lodges of the cemeteries of Raleigh, N. C.; Memphis, Chattanooga, and Fort Donaldson, Tenn.; Logan's Cross-Roads and Lebanon, Ky. I also bid, by invitation of General Meigs, upon the lodges of Danville, Glendale, and Seven Pines, in Virginia. I was awarded the contract for the walls at \$3.70 per linear foot, for the six first-named lodges at \$2,400 each, and the three last-named at \$2,800 each. The contract provided that the inspection should be made by some officer designated by the Quartermaster's Department. At some points the Government was not at the time the contract was made in possession of a title to the ground, and on that account there was considerable delay in getting the work started. Some time in the latter part of April or the beginning of May, 1873, there were three engineers appointed by the Quartermaster's Department to locate and inspect the work that was being done by the contractors.

By Mr. MACDOUGALL:

Q. What do you mean by locating the work?—A. Locate the sites of the walls and the sites of the lodges. They were very liable to get out on other people's ground. About the 15th of May, 1873, I was introduced to three engineers in what was known as the cemeterial room of the Quartermaster-General's Office, by Mr. Meyer.

Q. Who was he?—A. He was the chief clerk in the cemeterial department. One of those engineers was G. D. Chenoweth, another was Samuel Robbins, and the third was Mr. Clarke. I was informed that Mr. Chenoweth was located in Washington, and would have charge of the work immediately around Washington, including that in the State of Virginia.

Q. Who gave you the information?—A. Mr. Meyer, this clerk I refer to. He was in charge of the cemeterial department, I believe; he told me that Mr. Chenoweth had transportation to go to Seven Pines, Glendale, and Danville, to locate the sites for the lodges to be erected by me. Mr. Chenoweth came to me in the room and said it would be impossible for him to go, as he had no money to pay his hotel-bills. I told him that I regretted this, as I was going on that night. He came to me again in the office and said he could not go, unless I would loan him money. I told him it would not do to loan him money; that General Meigs would object to anything of that kind; he said General Meigs would not object to it. He came down to the hotel afterward, (I was then stopping at the Metropolitan,) and he repeated the same story, that it would be impossible for him to go, and that he would get money in a few days. I told him, nevertheless, I was going. A few moments before the train was starting to Richmond, at night, he came down and said he was going on; that he would get money, he supposed, from the folks at home. He went on to Richmond, and when I registered at the Ballard and Exchange Hotel he registered his name, and said he supposed that we would take rooms together. While there he had no money to pay his carriage-hire for transportation to the cemeteries. He had by that time received a letter from home, but without any money. When we came to leave Richmond on the 22d of May, he had no money with which to pay his hotel-bill, and as he had registered in my room, he left it for me to pay. I paid it on the 22d of May, 1873. The amount of his bill was \$21. [Witness produces the original bill, in which the charge referred to (\$21) was debited to Mr. Chenoweth, and continued:] I don't know whether the omnibus-bill was included in that item. When he went to stake out the lodge at Seven Pines, he was unable to do so. He was entirely incompetent so far as that work was concerned. The superintendent of the Richmond cemetery was there, and remarked about the manner of his doing that business. I staked out the lodge myself, because he could not do it. This manner of doing business I did not like, and I called his attention to it frequently. During the summer the same thing occurred repeatedly. I was either charged with hotel-bills for him or he would borrow money. [Witness here produced another bill, of date September 30, 1873, from Ford's Hotel, Richmond, in which Chenoweth is debited with \$8.50.] He borrowed money of me about the 17th of December, 1873, and after he had got some money from a Mr. Williams, a man in Richmond, (he was afterward appointed by the Government to finish some work there,) he came to me and asked me to let him have some money to pay his hotel-bill, as he did not have enough; he said he would give it to me when he got back to Washington; but I have not seen it since. At one time during the summer he insisted upon my buying a horse for him. I did not invest. There was a fast horse in Fredericksburgh, owned by some baker, and he wanted me frequently to buy it for him. I called his attention frequently, in this connection, to a letter in the Quartermaster-General's Office, written by General Meigs to some contractors that had sent a collection of flowers to Mrs.

Meigs, which the general refused to receive, and sent them to Arlington, and about which he sent a very stinging letter to the parties, (Miller & Hays, of Philadelphia,) objecting to anybody sending any presents whatever to any person connected with him or his Department. Chenoweth also wanted me frequently to buy him a watch; said he had no money, and wanted a watch. I told him it would be impossible to do anything of the kind; that it would be entirely out of place. One evening he came to me at the hotel, and told me that unless I would buy him a watch he would pass no more work; that he had done this, that, and the other, and I went down stairs into Goldstein & Co.'s, the jewelers, and bought a watch, and brought it up stairs, and brought with me two witnesses, and told him distinctly that I would not give him that watch, but I would lend it to him, because General Meigs was opposed to anything of that kind. George Axel Meyer was one of these parties, and the other gentleman was the proprietor of the hotel, Mr. Hildreth. I was then stopping at the Metropolitan in this city. I reported the matter to Colonel McGonnigle, who was in charge of national cemeteries, and showed him some of these original bills. I told Colonel McGonnigle about it. He said that Chenoweth was an appointee of General Meigs, and he had nothing to do with him. In the summer of 1875 I showed the papers to A. F. Rockwell, then in charge of national cemeteries, but he said that he believed that they were a God-damned lie, the whole of them, and that he felt Mr. Chenoweth was honest. Chenoweth, after his appointment, for a considerable length of time, would come to me to write his reports of different works. I made several of the draughts; among others was the original of the cistern afterward adopted and built by the Government at the national cemeteries, and the plan of the graves which had to be removed at Glendale National Cemetery for the erection of the new lodge. I wrote the report, and went over the calculation of the measurements of the amount of wall in the City Point Cemetery that had been erected by another contractor, and Chenoweth had been sent there to measure it, and asked me to make the calculation. I wrote his reports frequently for about three months. Frequently he would interfere with the hands which I was working, and would direct works to be done which had to be rebuilt. He interfered with my foreman at the draining of the Richmond Cemetery. I might add that, in addition to the work already mentioned, I had a very great deal of job-work, which consisted of erecting flag-staffs at some of the national cemeteries, draining four or five cemeteries, pointing the Richmond wall, placing mansard roofs upon the lodges of Fredericksburgh, Va., Cold Harbor, Va., and Fort Harrison, Va. He endeavored frequently to get the hands that I was working to leave, telling them they would never get their money. I furnished a sworn statement, verified by two witnesses, to this effect. I gave the original to General Meigs, and he said he would submit it to Chenoweth, and see what he had to say about it. He said he wanted the engineers to mind their own business, and never to interfere with the contractors on their credits. Mr. Chenoweth's reply to this was that he had not interfered, although the fact was supported by the testimony of two sworn witnesses. During the summer of 1873, about the 13th of July, the acting quartermaster in charge at Nashville, Tenn., mailed me a check, or was said to have done so, for \$4,662. This letter and check did not reach my address. It turned up in the dead-letter office, was returned to Nashville, held there (by reason of a mistake made by the quartermaster as to some vouchers) some ten or twelve days, and I received it on the 25th day of October, 1873. The original envelope had not the county upon it. The terms of their agreement required them to pay monthly for the work which was finished.

Q. Has this anything to do with anything that was wrong in the matter?—A. I should say that the Post-Office Department required them to put the county on, and the holding of the check by the quartermaster on account of a mistake of his own was wrong. After the Government declared the contracts void, as they did on the 1st of December, 1873, I tried repeatedly to have the time extended, but they refused. After they took charge they used material that I had procured for work different from that provided in the contract. They put in a lot of extra draining at the cemetery at Seven Pines. At Danville they built a cistern. I might add that, during the summer of 1873, Mr. Chenoweth directed me to put in one hundred and ninety-four feet of drainage at Danville, Va. He said that it was necessary, and when he came home he would have the Quartermaster-General authorize it, and I would receive pay for it. I put in one hundred and ninety-four feet, or thereabouts, which was done at the same price per linear foot that I received for draining the cemetery at Seven Pines, Cold Harbor, and Fort Harrison. After it was in, he refused to report the matter to the Department. I met him one time at Fortress Monroe and insisted on it. There had been an appropriation or authorization by General Meigs for \$50 to put in a drain across Lee street. He said he would give me a certificate for that, and when he came back to Washington he would have the matter paid. I reported the matter frequently to the Department myself, and they refused to pay more than the \$50. The \$142 or \$144 which, according to Mr. Chenoweth's original agreement, ought to have been paid, was not paid. General Meigs decided that it was not authorized by him, and that \$50 was sufficient, although he had

paid \$1 per foot for all other work of the same kind. I wrote the specifications for the stone-work and the brick-work of the lodges as they are now printed, with the exception that the architect in charge allowed, instead of stone-weathering, a molded brick weathering on top of the base, at the option of the contractor.

By Mr. MACDOUGALL:

Q. Do you know where Mr. Chenoweth is now?—A. I met him about two weeks ago in the lobby of the House. The chief clerk in the Quartermaster's Department told me this morning that Mr. Chenoweth had resigned, and that he was not any longer an employé of the Quartermaster's Department.

Q. Do you know when he resigned?—A. Mr. Finckel said about four weeks ago, as I understood, or about the time this testimony was before this committee.

Q. Has he ever offered to pay you or re-imburse you for the sums of money?—A. No, sir.

Q. Has he acknowledged it as an indebtedness at all?—A. No; but I am told he said so to outside parties. I will remark here that he took the watch down to Goldstein's, (after the matter had been reported at the office.) Goldstein & Co. have the watch marked with my name; so that he gave it in to one of the gentlemen of that firm by the name of Wallach. That firm now has the watch, and Mr. Wallach told me that they held to the order of Mr. Chenoweth, and as his property. The watch was broken before he took it to Goldstein's, and he directed it to be repaired.

Q. Did you ever ask this gentleman who holds the watch to return it to you?—A. No, sir; I asked him what he would take for it, and he said if Chenoweth did not take it up in a reasonable time he (Wallach) would take for it what the repairs cost.

Q. You say your name has been put on the watch?—A. Yes; Mr. Chenoweth told them to put my name on the watch; it was only fastened on with paper, however. The way I ascertained about it was, that I had a watch of my own there getting fixed, and I sent a man there to get it, and when he came back he told me that I had two watches at Goldstein's.

Q. Your name was not engraved on the watch?—A. No, sir. After hearing that I had two watches there, I went down to Goldstein's to see about it, and found this other watch there.

Q. Did you ever complain to General Meigs about these transactions with Chenoweth?—A. No, sir; when I went to General Meigs he would tell me that McGonnigle was in charge of cemeteries, and I should go and see him. I went to General Meigs about ten days ago and told him I would be summoned as a witness, and asked him if he would prefer hearing this testimony with reference to Mr. Chenoweth, or whether he would prefer to get it from the Military Committee. He said he would rather get it from the Military Committee.

Q. You said you understood that Chenoweth had told other parties that he owed you money?—A. Yes, sir.

Q. He acknowledged to other parties that he owed you sums of money, did he?—A. Borrowed money, I understood.

By the CHAIRMAN:

Q. This money that you gave him was loaned money, was it not?—A. Yes, sir.

Q. It was given him for no corrupt or bad purpose?—A. No; He pleaded poverty in the beginning; said he had no money to pay his hotel-bill or anything else, and tried constantly to get things out of me. I am satisfied that when he tried to get that horse and that watch his idea was to keep them, because another contractor has told me that he tried to sell the watch to him. He is willing to be qualified that he tried to sell that watch.

By Mr. MACDOUGALL:

Q. Who is that contractor?—A. Mr. A. W. Sweeny, at 313 Thirteenth street, southwest.

By the CHAIRMAN:

Q. How much money did you give him in all, including the watch?—A. About \$150.

Q. Did he inspect your work?—A. Yes.

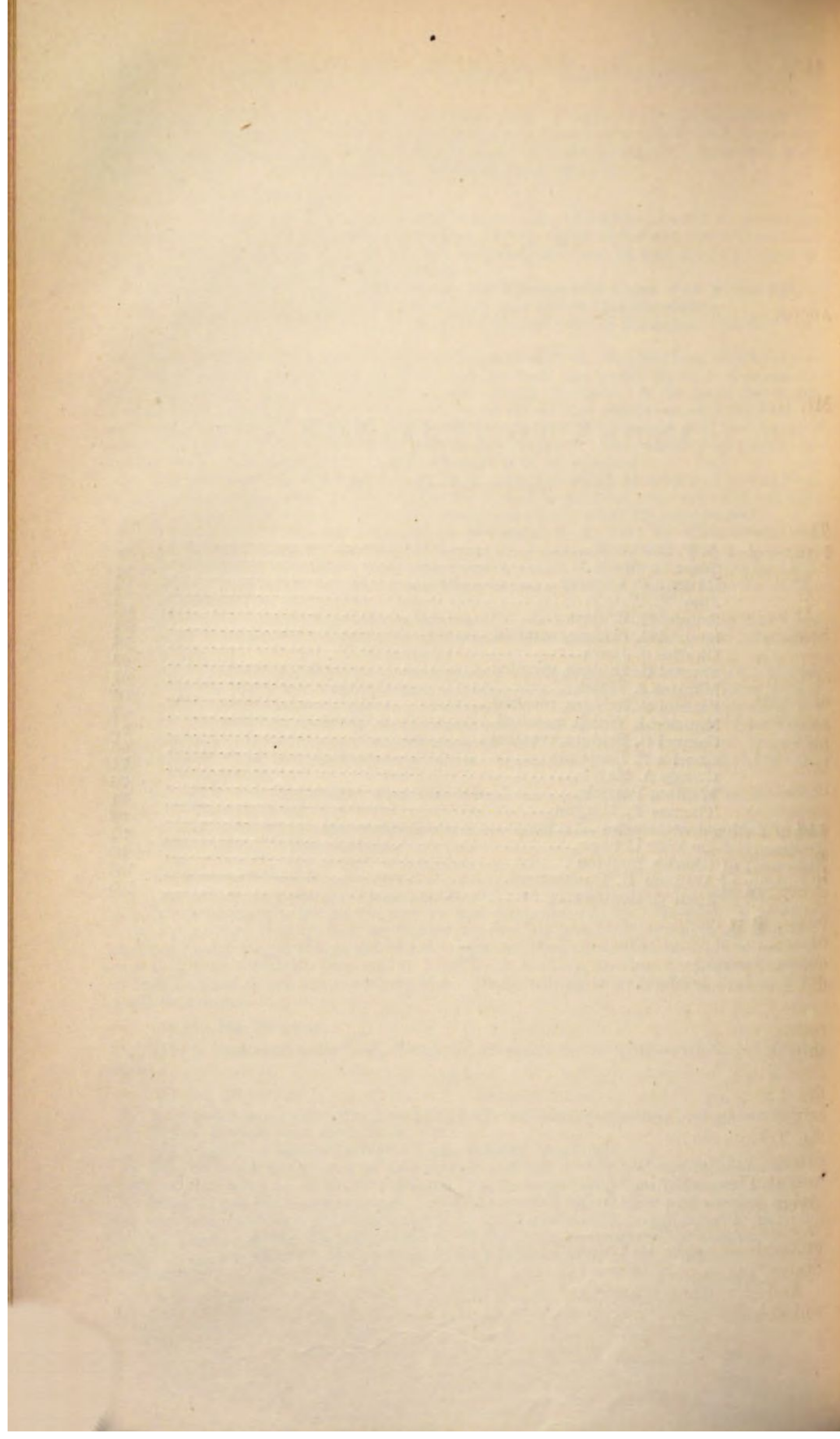
Q. Did he make a favorable report?—A. No, sir; he did not.

Q. Do you think the giving of this money and the watch had any influence in his report of your work?—A. No, sir; I think that the only thing that influenced him was that he could not get money enough. After I reported the matter and showed up his way of doing business and his incapacity to the Department, he appeared to be terribly prejudiced, and said he had got rid of all the other contractors but one, and he intended to get rid of him. His brother was a bidder on some of the work.

Adjourned.

INDEX TO TESTIMONY.

	Page.
Testimony of A. F. Rockwell.....	1
Oscar A. Mack.....	7
Edward P. Doherty.....	11
John M. Wright.....	19
Samuel G. Bridges.....	22
Samuel G. Bridges, recalled.....	31
Charles S. Jones.....	36
Samuel G. Bridges, recalled.....	42
Maurice J. Walsh.....	47
Samuel G. Bridges, recalled.....	51
Maurice J. Walsh, recalled.....	62
Samuel G. Bridges, recalled.....	65
Charles F. Benjamin.....	68
George A. Meyer.....	71
William Patrick.....	76
Thomas P. Morgan.....	81
List of national cemeteries.....	86
Testimony of De Witt C. Sage.....	91
Statement of Charles Sheldon.....	99
Testimony of William H. Dunkinson.....	105
John C. Comfort.....	105



NORTH CAROLINA COTTON CLAIMS.

AUGUST 8, 1876.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BRIGHT, from the Committee on Claims, submitted the following

R E P O R T :

[To accompany bill H. R. 1146.]

The Committee on Claims, to whom was referred the bill (H. R. 1146) for the relief of the State of North Carolina, having had the same under advisement, report :

It appears from the evidence submitted to your committee that the State of North Carolina, at the conclusion of the recent war, was the owner of several lots of cotton located at different places in the State of Georgia. It appears also that W. W. Holden, provisional governor of North Carolina, deputed J. J. Litchford, a duly-authorized agent of said State, to proceed, in the summer of 1865, to the State of Georgia, for the purpose of collecting and transporting to market such cotton as belonged to said State of North Carolina, which he was directed, when in market, to dispose of for the use and benefit of said State. Said agent found stored in a warehouse in Thomasville, Ga., according to the receipts of said warehouse, 347 bales of cotton, recognized and labeled as the property of the said State of North Carolina. It further appears that Colonel W. K. Kimball, of the Twelfth Maine Volunteers, was instructed to take possession of all warehouses in said Thomasville supposed to contain cotton belonging to the Confederate States. In the execution of this order he was necessitated to hold military surveillance over said warehouses until the arrival of a regular Treasury agent, which did not occur until August 15, 1865.

On that date United States Treasury Agent A. G. Brown did seize all cotton stored in the warehouses of Thomasville, Ga., and proceeded to ship it, via Savannah, to Simeon Draper, United States cotton-agent at New York, by whom it was sold, and the net proceeds thereof paid into the Treasury of the United States. Relative to this lot of 347 bales, seized at the place aforesaid by said Treasury agent, the Secretary of the Treasury, in his report to Congress, dated February 1, 1875, (see Senate Ex. Doc. No. 23, 2d sess. 43d Cong., pp. 44, 45,) reports the seizure, at Thomasville, by said agent, of only 331 bales, 75 of which were given to contractors, 10 sold in Savannah, and 246 shipped to and sold by United States cotton-agent at New York, Simeon Draper. The net proceeds of said 246 bales of cotton paid into the Treasury of the United States, per report of the Secretary of the Treasury, was \$36,462.43.

And it further appears that the agent of the State of North Carolina collected, in September, 1865, 161 bales stored at Columbus, and 14

stored at Genoa, Ga., in all 175 bales, which he, the said agent, in obedience to his instructions from Governor Holden, shipped via Apalachicola to New York, where it was seized, April 16, 1866, by Simeon Draper, United States cotton agent, sold, and the net proceeds thereof paid into the Treasury was \$6,070.11. (See Senate Ex. Doc. No. 23, pp. 56, 57.)

A third lot of 70 bales of cotton, belonging to said State, was also seized by Treasury agents in the month of January, 1866, the proceeds of which the Secretary of the Treasury refunded to said State in the summer of 1874, by the authority of the 5th section of an act approved May 18, 1872, which directs the Secretary of the Treasury to refund the proceeds of all cotton seized after June 30, 1865.

The Secretary of the Treasury, in paying for the 70 bales aforesaid, recognized the right of the State of North Carolina to recover the net proceeds in the Treasury of the United States of all cotton belonging to said State which had been seized after the cessation of hostilities.

The net proceeds of the 246 and the 175 bales of North Carolina cotton would have been paid for by the Secretary of the Treasury at the same time he refunded the proceeds of the 70 bales, but it was alleged that the said lots of 246 and 175 bales were not seized in violation of the act of May 18, 1872. This objection your committee believe was purely technical, as appears from the subsequent report to Congress of the Secretary of the Treasury; for, by reference to Senate Ex. Doc. No. 23, 2d sess. 43d Cong., it is shown that all the cotton claimed by the State of North Carolina was, in fact and in truth, seized after June 30, 1865.

By the proclamation of the President of the United States, dated May 29, 1865, it was declared that pardon and amnesty, with the restoration of all rights of property, (except as to slaves,) is hereby granted to all persons, &c. In pursuance of this proclamation, the Secretary of the Treasury, in a circular-letter, dated June 27, 1865, and addressed to Treasury agents, forbade them to seize any cotton unless it was known to be the property of the Confederate States.

Notwithstanding the positive instructions set forth in the circular-letter aforesaid, which forbade, most emphatically, the seizure of private property, the agents of the Government, in violation of the President's proclamation, and the circular-letter of the Secretary of the Treasury, did seize the lots of cotton aforesaid, belonging to the State of North Carolina, 85 bales of which no returns are made, and \$12,000 expenses charged against the illegal seizure and sale of 421 bales.

It is clear to your committee, from all the facts and evidence, that the seizure and sale of said cotton was in contravention of law, consequently illegal and unauthorized, and that the net proceeds now in the Treasury, as shown by the report of the Secretary, should be refunded to the State without further delay. And your committee find the sum due the State of North Carolina, per the Secretary's report, to be—

For the 246 bales.....	\$36,462 43
For the 175 bales.....	6,070 11
Total.....	42,532 54

E. J. GURLEY.

AUGUST 8, 1876.—Committed to a Committee of the Whole House and ordered to be printed.

Mr. BRIGHT, from the Committee on Claims, submitted the following

REPORT:

[To accompany bill H. R. 593.]

The Committee on Claims have examined the petition and testimony affecting the claim of E. J. Gurley, of McLennan County, Texas, and find that the petitioner asks payment of two claims for attorney's fees for services rendered to the Government by employment of officers of the Government. The first is for professional services in the prosecution of Peter Garland and some eighteen other persons, charged with the murder of seven Caddo Indians, in Palo Pinto County, Texas. The petitioner, Mr. Gurley, has been for many years a practicing lawyer at Waco, Tex., and during the year 1859 he was employed by Major Robert S. Neighbours, superintendent of Indians in Texas, to prosecute said Garland and others. The defendants, nineteen in number, were charged with the murder of seven friendly Indians of the Caddo tribe, of the Brazos agency, in Texas, on the 27th day of December, 1858.

On the 14th day of January, 1859, said superintendent of Indians made affidavit before Hon. N. W. Battle, judge of the district court, in whose district said offense was charged to have been committed, alleging the perpetration of the crime, and that no peace-officer residing in said county could be procured to execute a warrant of arrest against said offenders. So great was the indignation among the people along the frontier of Texas adjacent to the Indian reservation, on account of the outrages committed by the Indians upon the white people, and so thoroughly were the entire people in sympathy with the defendants, that the civil officers refused to execute the process of the court. The petitioner, then, on the 17th day of January, 1859, obtained an order from said district judge, directed to Captain John S. Ford, commanding a company of Texas rangers on the Texas frontier, and commanding him with the force under him to arrest the defendants and bring them before the court for trial; but Captain Ford was himself a frontier man and had been fighting Indians all his life, and had frontier men under him who had been compelled to take the field to protect themselves and families from Indian depredations, and he and they were also in sympathy with the defendants, and he refused to execute the process. The petitioner then applied to Governor H. R. Runnels for an order to Captain Ford to execute the process. After a great deal of trouble and delay, the order was executed, but it was found, when the issue was made and met, that the courts were powerless and the laws silent in the presence of a whole population in arms for their own protection and the protection of their defenders.

The prosecution shared the fate of the civil power; it passed away in the presence of an irresistible force. An accommodation was finally had that removed the Indians out of the State, and the troubles arising out of these charges and all others from the same source passed away with the removal of the Indians. The part taken by Mr. Gurley, as prosecutor for the United States, involved him in great personal danger, as the sentiment of the country was overwhelmingly with the accused. He was continually threatened by armed men, and the whole population were in bitter hostility to him; but notwithstanding the peril in which he was placed and the loss of business his relation to the accused caused him, he firmly and faithfully pressed the prosecution and exerted himself with great courage, industry, and perseverance till the civil power subsided in the presence of an assemblage of armed men, which the State was unwilling to meet and overcome with force. All of this occurred in a district where Mr. Gurley had a large practice, almost all of which was sacrificed by his employment in these causes. Hon. John Hancock, now a member of Congress, and his law partner, states his service to be worth not less than \$5,000; Judge Battle says not less than \$2,500 or \$3,000. He has also testimony of other citizens of Texas, and among them the governor of Texas; the Indian agent, Colonel Ross, and others; all testifying to the courage, ability, and efficiency with which he discharged the duties of his position. We therefore think he is entitled to the relief he asks, and for this branch of his case we report as a reasonable compensation the sum of \$1,000.

The facts in the other case are: That on the 16th day of April, 1854, Capt. R. H. Anderson, United States Army, was ordered by Brig.-Gen. W. S. Harney to proceed with a detachment of men under his command to Fort Graham, in Hill County, Texas, and arrest Asst. Surg. Josephus M. Steiner, and convey him to Austin, Tex., for trial before court-martial for killing Maj. R. A. Arnold, his superior officer, who was at that time in command of the fort. His orders stated that "H. P. Brewster, esq., a gentleman of legal learning, would accompany him and give such advice as the exigencies of the mission might require." Sickness in Mr. Brewster's family at the time of Captain Anderson's departure prevented him from accompanying the command, and Captain Anderson proceeded without him and arrested Dr. Steiner in Hill County, Texas, while he was claimed by the sheriff of said county as his prisoner and in his lawful custody, and proceeded with him toward Austin as far as Waco, where he and his detachment were arrested by legal process on a charge of rescuing the prisoner Steiner from the custody of the sheriff of Hill County, the penalty for which offense was confinement to hard labor in the penitentiary not less than five years nor more than ten years. In consequence of the absence of Mr. Brewster, Captain Anderson employed the firm of which Mr. Gurley was a member to defend himself and his men, and advised his superior officers of what he had done. On the trial by the examining court the men under his command were discharged, but he was held to answer before the district court of Hill County, to which he was remanded, and by which he was tried and acquitted, the petitioner acting as his counsel during the trial.

This claim was before Congress at a previous term, on the petition of the applicant asking for \$5,000. The circumstances surrounding this case are similar to the facts in the former case. The attorney in this case had to contend against a whole people whose sympathies were all for Steiner, and whose passions were aroused fiercely against Captain Anderson and his men, for what they considered a flagrant act of wili-

tary usurpation, and the victim of that outrage a man of unbounded popularity with them. On the 4th day of June, 1858, the Senate Committee on Military Affairs reported a bill to the Senate for the relief of petitioners for the sum of \$1,500, (Cong. Globe, vol. 36, part 3, page 2699.) January 31, 1860, the same committee reported a bill for \$1,000, (vol. 39, part 1, page 647,) which was afterward passed by the Senate and sent to the House, (vol. 40, part 3, page 1451.) In the House the Judiciary Committee reported back the Senate bill to the House and recommended its passage, (vol. 41, part 3, page 2354.) The bill on a point of order was sent to the Committee of the Whole, and was not reached in the calendar during the session. The claim of the petitioner is meritorious and just, and considering the long time that has elapsed during which the petitioner has remained unpaid, and that the Senate have twice reported in favor of its payment, once at \$1,500, and once at \$1,000, the committee feel that the sum of \$1,000 is but reasonable compensation, and they report in favor of paying said amount for said services in defending Captain Anderson and his men. They therefore report the accompanying bill as a substitute for the House bill, providing for payment of both of said claims, and recommend its passage.

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THOMAS M. HOWARD.

AUGUST 8, 1876.—Committed to a Committee of the Whole House and ordered to be printed.

Mr. BRIGHT, from the Committee on Claims, submitted the following

REPORT:

[To accompany bill H. R. 3766.]

The Committee on Claims, to whom was referred the bill (H. R. 3766) for the relief of Thomas M. Howard, of Lewis County, Missouri, have considered the same, and report as follows:

It appears from the records of the Post-Office Department that Thomas M. Howard, of Lewis County, Missouri, was mail-contractor on route No. 10471^a, in the State of Missouri, in the year 1861. It is admitted by the Department that Mr. Howard rendered the service to the Government, and that there is due him the small balance of \$111.63, which sum, says the Department, "cannot be settled until Congress makes an appropriation for that purpose." The committee, therefore, recommend the passage of the bill.

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST-OFFICE DEPARTMENT,
Washington, D. C., June, 1876.

SIR: In reply to your letter of the 31st ultimo, addressed to the honorable Postmaster-General and referred to this office, I have the honor to inform you that Thomas M. Howard was a contractor on route No. 10471^a, in the State of Missouri, in 1861, and there appears to be a balance of \$111.63 due for mail service on said route from April 1 to November 1, 1861.

This account cannot be settled by this office until Congress makes an appropriation for that purpose.

Very respectfully,

J. M. MCGREW, Auditor.

Hon. J. M. GLOVER,
House of Representatives, Washington, D. C.

REPORT

At a meeting of the Committee on the 11th of November 1911.

The Committee on the 11th of November 1911.

REPORT

(To be read at the meeting of the 11th of November 1911.)

The Committee on the 11th of November 1911, has the honor to report to the Council of the Society of Friends, that it has received from the Council of the Society of Friends, a copy of the report of the Council of the Society of Friends, dated the 11th of November 1911.

It appears from the report of the Council of the Society of Friends, that the Council of the Society of Friends, has received from the Council of the Society of Friends, a copy of the report of the Council of the Society of Friends, dated the 11th of November 1911. The Council of the Society of Friends, has received from the Council of the Society of Friends, a copy of the report of the Council of the Society of Friends, dated the 11th of November 1911. The Council of the Society of Friends, has received from the Council of the Society of Friends, a copy of the report of the Council of the Society of Friends, dated the 11th of November 1911.

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That is to say, the Council of the Society of Friends, has received from the Council of the Society of Friends, a copy of the report of the Council of the Society of Friends, dated the 11th of November 1911. The Council of the Society of Friends, has received from the Council of the Society of Friends, a copy of the report of the Council of the Society of Friends, dated the 11th of November 1911.

It is the duty of the Council of the Society of Friends, to report to the Council of the Society of Friends, the results of its work, and to recommend such measures as may be necessary for the betterment of the Society of Friends.

The Council of the Society of Friends, has the honor to report to the Council of the Society of Friends, that it has received from the Council of the Society of Friends, a copy of the report of the Council of the Society of Friends, dated the 11th of November 1911.

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JOSEPH W. PARISH.

AUGUST 8, 1876.—Committed to a Committee of the Whole House and ordered to be printed.

Mr. BRIGHT, from the Committee on Claims, submitted the following

REPORT:

[To accompany bill S. 830.]

The Committee on Claims, to whom was referred the bill (S. 830) for the relief of Joseph W. Parish, submit the following report:

In December, 1863, Hadley & Co. had a transaction with the commissary of subsistence at Louisville, Ky., by which they agreed and undertook to deliver 2,000 barrels of pork. This they failed to do.

In 1865, Joseph W. Parish, the party asking relief under this bill, had (for the firm of Parish & Co.) a large contract, which he was then engaged in fulfilling, to furnish ice to the medical department of the Army at New Orleans, was under heavy bonds, and this contract demanded his constant attention; any day's delay or neglect endangering its violation, and rendering him liable to heavy penalties.

He was in Saint Louis, and an order was issued from Louisville for his arrest, because it was believed that he was interested in the Hadley & Co. bid, either as a silent partner or in some manner, and as the Government had suffered a loss by such failure, and such loss had not been made good otherwise, Parish should be held for the same. He protested against such liability, but was, nevertheless, taken before the proper authorities, and, after taking counsel, in view of his other engagement, (on his ice contract, the neglect of which would be most disastrous,) it was deemed advisable to pay the amount demanded, to wit, \$4,280, which he accordingly paid under protest, and was thereupon released from the military arrest. The object of this bill is to refund this amount with interest.

The matter was long pending before the proper executive officers. On the 7th of April last, the Third Auditor held that there was no law under which the accounting-officers of the Treasury could entertain such claim, and it was therefore disallowed for want of jurisdiction.

The Second Comptroller held and found, on the 12th of the same month, that Mr. Parish appeared, from the evidence, to have a just and meritorious claim against the United States to the amount of \$4,280, but that settlement of such questions did not lie within the jurisdiction of the accounting-officers of the Treasury, nor was there an implied assumpsit for the torts of its officers.

Under such circumstances, if Mr. Parish cannot be relieved by Congress, he is without remedy.

It seems to be quite clear that the officer ordering the arrest acted upon a mere suspicion that Parish was interested in the bid of Hadley

& Co., a suspicion quite unfounded. He is vouched for by several persons as a man of integrity and veracity, and in his petition and papers denies under oath most flatly such interest. In this he is corroborated by other witnesses.

Under such circumstances, we cannot doubt his right to relief, and we therefore report back the accompanying bill with the two amendments of the Senate, and recommend its passage.

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D. W. PRICE AND THOMAS AKERS.

AUGUST 8, 1876.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BRIGHT, from the Committee on Claims, submitted the following

REPORT :

[To accompany bill H. R. 4074.]

The Committee on Claims, to whom was referred the bill (H. R. 1464) for the relief of D. W. Price and Thomas Akers, having had the same under consideration, beg leave to make the following report :

On or about the 17th of July, 1867, the petitioners were the owners of 141 barrels of whisky, which were stored in the bonded warehouse of Cuthbert & Cunningham, in the city of Brooklyn, third revenue district of New York. Afterward, in the month of April, 1868, information was lodged with the district attorney for said district alleging that said whisky was not under proper bond. One of said claimants, Mr. Akers, hearing thereof, went to John E. Risley, Deputy Commissioner of Internal Revenue, who, it appears from the proofs, introduced Akers to the Commissioner of Internal Revenue, Mr. Rollins, and thereupon both the Commissioner and the Deputy Commissioner informed said Akers that the collector had no right to seize said whisky, and that he need incur no expense of inspection for any such purpose; that the whisky being in bond, the Government was in no danger of losing the tax, and that the claimant ran no risk.

Relying upon this assurance, the claimant went off to the State of Ohio, where he learned, by indirection, that proceedings had been instituted in the eastern district of New York for the forfeiture of said whisky on the ground aforesaid; which proceedings were instituted on the 8th day of April, 1868, and an order of publication thereof was made, returnable the 25th day of April, 1868. Immediately on the receipt of this information the claimant, on the 23d of April, 1868, wrote from Columbus, Ohio, to said Deputy Commissioner, reminding him of the assurances made to the claimant by said Deputy Commissioner and Commissioner. Thereafter the said Commissioner, on the 5th day of May, wrote to the collector of said district, directing him to discontinue the proceedings instituted for the forfeiture of said whisky. Before the receipt of this letter, however, judgment of forfeiture had been rendered and the property sold.

These 141 barrels of whisky belonged to one firm; and although the 141 barrels were libeled and proceeded against as one parcel and one case, and the order of publication stated the case to be "The United States against 141 barrels of whisky," yet on the return-day of said writ the informer represented the case to the district attorney as being three arcels of whisky, belongiug to three separate owners, and thereupon

the action was changed to three suits, against 47 barrels of whisky in each case, and without any further notice of this change of the cause of action and of the parties, judgment thereon was rendered on the 27th of April, 1868; by which the fees and rewards of the informer were greatly enhanced. The proceeds of the sale of this whisky amounted to \$9,300; of which \$3,917.46 was consumed as fees of marshal, clerk, and informer, and the remainder, \$5,382.58, was paid into the Treasury of the United States. The alleged ground for this seizure and forfeiture was, as claimed by the Government officials, the insufficiency of the bond, although no such specific allegation appears in the information to have been lodged in the case.

The proofs submitted to the committee would seem to establish that the bond in this case was amply sufficient; and it further appears to have been both the policy and custom of the Internal Revenue Department not to insist upon a forfeiture of such property where the same was stored in a Government warehouse, for the reason that this custody of the property was the best security for the Government, while its enforced sale very frequently resulted in the loss of the Government tax. The petitioners claim the full amount realized on the sale of this whisky. It is true that this whisky was forfeited under a judicial proceeding, and it might be said that, constructively, the claimants had their day in court; but it does seem to your committee to be clear and just, upon every principle of law and equity, that where the Government itself, through its own accredited and authorized agents, informed the claimant, upon application, that he was in no danger, and assured him that the matter would be stopped, and he went off relying upon that assurance, and the Government, nevertheless, in violation of such assurance, proceeded summarily and hastily to seize and dispose of the whisky to the great detriment and injury of claimants, the Government should make restitution. That a court of equity would enforce such a rule of simple and plain justice between two citizens, there is no question. If a party by himself, or his authorized agent, mislead another to his injury, the party thus misleading will not be permitted to profit by his own bad faith or conduct. As the Government did not, however, receive the whole sum of \$9,300 for which the whisky sold, your committee, as a matter of equity and a fair adjustment of the case between the claimants and the Government, only recommend an allowance to the claimants of the sum of \$5,382.58, the amount actually covered into the Treasury; for which sum they report back a bill with a favorable recommendation.

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ALEXANDER & CO.

AUGUST 8, 1876.—Committed to a Committee of the Whole House and ordered to be printed.

Mr. BRIGHT, from the Committee on Claims, submitted the following

REPORT :

[To accompany bill H. R. 3161.]

The Committee on Claims, to whom was referred the bill (H. R. 3161) for the relief of Alexander & Co., of Fayetteville, Tenn., having had the same under advisement, report :

That the firm of Alexander & Co. was composed of W. S. Alexander, E. L. Allen, and N. B. Alexander, the last-named being now dead. Said firm were engaged under the internal-revenue laws of the United States from about the 1st day of December, 1866, until about April, 1867, in the distillation of spirits in Lincoln County, Tennessee, during which time they manufactured a lot of whisky, amounting to 2,286 wine-gallons, which were seized by the Government officers of the United States under the following circumstances, at Huntsville, Ala., while *in transitu* to Memphis, Tenn., about May 1, 1867: Said whisky had been regularly gauged by T. O. Crawford, an inspector of the United States, and a permit to ship the same had been obtained from the collector of the district, as appears from copies of the permits filed with the papers. Said seizures and detentions were made by the Government on a charge that there were more proof-gallons of whisky in said barrels than had been assessed thereon.

At the time of said permits the section of country in which said distillery was located had only recently come under the supervision of internal-revenue officers. Officers and distillers, to a certain extent, were ignorant of the laws and regulations, and particularly the mode of ascertaining the proof-gallons of spirits, as defective instruments were used in gauging. This appears from the fact that a short time after said whisky was seized it was regauged, and found to contain upward of five hundred proof-gallons more than the same gauger had only a few days before gauged it at. The matter was referred to the then Commissioner of Internal Revenue, who refused to declare the same forfeited to the Government, on the grounds that there was no intentional fraud in the case, and that the irregularity was more the fault of the Government officers than of the distillers; whereupon he directed the collector, Mr. Joseph Ramsey, to release the same upon the payment of the taxes thereon. It appears that the distillers were unable to raise the money to pay the taxes except out of the sale of the whisky, and the whisky was retained by the Government officer, Mr. Joseph Ramsey, on deposit in Huntsville, Ala., and who appointed one W. M. Alexander as his special agent, or as the agent of the Government, to sell said whisky for

the purpose of discharging the taxes due thereon. The total amount of taxes due to the Government amounted to about \$4,222, on 2,286 wine gallons. The whisky itself was worth about \$3.25 per gallon at that time, making \$7,429. The whisky at no time was under the dominion or control of the claimants.

It appears from the testimony that the agent took charge of the whisky in May, 1867; that it was stored with the firm of Neil & Sprague, of Huntsville, Ala., private merchants, there being no bonded warehouse in that place. The store-house was a large single room, which the firm used as a grocery-store, the whisky being in the same room, where it remained until the last of the lot was sold in December, 1867. It appears from the testimony that said agent, W. M. Alexander, applied several times to John Faris, United States deputy collector at Huntsville, Ala., for permission to remove said whisky elsewhere, upon the ground that it was being stolen, which requests were refused by said Faris, upon the ground that he had no authority for doing the same. There was not a sufficient demand at Huntsville for whisky to place the whole lot on the market at one time, and the agent could force only about six or eight barrels per month on the market. It also appears that the agent informed Mr. Ramsey, the collector, that the whisky was being stolen, and he asked him for permission to ship the same elsewhere, which was refused. It also appears that the cooperage and material of the barrels containing said whisky were excellent, and the whisky could not have been lost from leakage.

The agent proves that in May, 1867, all of the barrels were full of whisky, except a small deficiency, caused by evaporation, in each barrel. He further proves that when he finished selling it in December, 1867, said forty-eight barrels had only yielded about nine hundred and fifty gallons, all told. Said agent further proves that he sold said whisky at the rate of \$3.25 per wine gallon, realizing therefrom, after paying storage and charges thereon, \$2,777.27. He further proves that he paid all of said sum of \$2,777.27 to Collector Ramsey and his deputy in Lincoln County, S. T. Farrar. The vouchers for the payment of the amount are filed with the papers. It further appears that the charges and commissions for selling the same amounted to about \$300. It also appears from the testimony of J. S. Alexander that he was employed to convey said whisky from the distillery in Lincoln County, Tennessee, to Huntsville, Ala., a distance of about twenty-five miles, and that he did deliver the same to the firm of Neil & Sprague in good condition, and with the barrels all full of whisky, for the purpose, on the part of Alexander & Co., to have it shipped in a day or two to Memphis, Tenn., and that the same was seized a few days after its delivery.

It appears that after the payment of the \$2,777.27 taxes to the Government, a balance remained unpaid of \$1,444, that amount being the deficiency of tax; which latter amount, after being suspended in collection by the Government for six or eight years, was revived and pressed for collection, as your committee believe, through the selfishness of the informer, who seemed to be willing to sacrifice the property of the distillers, who had been acquitted of any fraudulent intentions by the Government officials, in order to obtain his moiety, as he uses this language in his communication to the Commissioner: "Self is, nevertheless, a subject of concern in this connection." Opposed to this, the claimants insist that, after deducting said \$1,444, the Government is equitably and justly indebted to them in the sum of \$3,207, with interest thereon, say, from January 1, 1868. In a transaction between private citizens, your committee are of opinion that the claim of Alexander & Co. would

be a valid, equitable set-off against the collection of such a claim as the Government proposed to enforce against them. The Government, after the seizure of said whisky, took it from the dominion and control of the distillers, and became a trustee—first, to apply the proceeds to the payment of the taxes due thereon, and second, to hold whatever balance remained in trust for the benefit of the distillers.

The committee are satisfied that while the Government, through its agent, had possession of said whisky, a large quantity of the same was stolen, or in some other way lost, and that the loss cannot, upon any principle of equity, be visited upon the distillers; that the Government would be estopped from inflicting such a loss upon the distillers, because it was the occasion of the loss itself.

Notwithstanding the claimants had lost the whole of their whisky through the action and default of the Government officials; the revenue collector of the fourth district of Tennessee, the successor of Joseph Ramsey, who was the collector at the time of the removal of the whisky from Lincoln County to Huntsville, finding that there was a supposed balance of tax remaining unpaid, notified Hon. D. D. Pratt, Commissioner of Internal Revenue, of such fact, and after correspondence on the subject the collector was permitted to issue his distraint-warrant, bearing date January 21, 1876, directed to W. B. Nicks, deputy collector, who resides in Lincoln County, Tennessee, instructing him to distrain property of the claimants to the amount of \$2,984.32, which included the tax, interest, and damages, and said deputy collector distrained the property of E. L. Allen, one of the claimants, consisting of sundry town lots and tracts of land in Lincoln County, valued, as is alleged by the claimant, at something like \$10,000; and, after giving notice, the said deputy collector, Nicks, exposed the same to sale, the claimant, Allen, protesting against the right of the Government to make such sale. The Commissioner of Internal Revenue declined to suspend the sale, and the claimant was forced to apply to Congress for relief or sue the collector on his official bond.

Believing that Congress would be willing to protect him against the hardships of the case, he has seen fit, on behalf of himself and surviving partner, to make this application to Congress. The mere statement of the facts of the case, that the Government got the proceeds of the whole forty-eight barrels of whisky, and has since sold, say, \$10,000 worth of the real estate of one of the claimants, thereby reducing him to penury and leaving him without a home to shelter his family, would be manifestly a hardship, alike unjust and unconscionable, and your committee feel that it would be only a partial indemnity to the claimants to refund the balance of the tax, damages, and costs, amounting to about \$3,000, which the Government realized in the sale of said property. In a court of equity the claimants would have been entitled to all the balance of the value of the whisky remaining after the payment of the tax, which excess in their favor the proof shows to be from \$3,000 to \$4,000.

But inasmuch as the claimants ask only to have the amount remitted or refunded which was collected by the Government in the sale of said property, your committee do not feel authorized to go beyond the amount asked for at the hands of Congress, and they are content to recommend the payment of the \$3,000 demanded in the bill for their benefit.

Your committee think it proper to state that the real cause of the seizure of said whisky grew out of the collector of the fourth revenue district of Tennessee, Joseph Ramsey, granting a permit to the claim-

ants to ship the same from the district before the payment of the taxes. The revenue collector took the written obligation of the claimants to pay the taxes when they had shipped the whisky and sold the same in Memphis, Tenn., at the same time giving them a receipt acknowledging the payment of the taxes. The collector, in a letter addressed to the Commissioner of Internal Revenue, dated May 28, 1867, in explanation of his conduct, after describing the embarrassments in the execution of his duties, says:

In this state of things, in order to enable the manufacturer to dispose of his whisky for consumption, so they could realize the money and pay the taxes, said whisky never having been in public bonded warehouse, Class B, and understanding that in most places in Alabama and Mississippi there were no public bonded warehouses to send it to, we did not see how we could do better than to permit the owners to transport their whisky under their own private bond, with security for the taxes in thirty days, feeling that by their bond we had the tax secured.

The then Commissioner of Internal Revenue, E. A. Rollins, in a letter addressed to the collector, Joseph Ramsey, says:

I am of opinion, from all the evidence before me in this case, that Alexander & Co. are not so much in fault in this matter as the revenue officers in your district. The apparent fraud seemingly arises rather from neglect or want of knowledge of duties on the part of officers than fraud on the part of Alexander & Co. From all the facts that are before this office, I have decided to release the spirits of Alexander & Co., if, in your opinion, they have not knowingly violated the law.

It appears from this that the question was determined by the proper Department, which is conclusive against the Government as to the good faith of the claimants, leaving nothing but the real question of equities to be adjusted between the Government and these parties for the loss of the whisky while in possession of the Government, to which the claimants were subjected as set forth; and the committee are content to report back the bill with the following amendment: After the word "whisky," in line 7, insert the words *and property*; and as thus amended they recommend that it do pass.

PACIFIC RAILROAD.

AUGUST 8, 1876.—Recommitted to the Committee on the Judiciary and ordered to be printed.

Mr. MCCRARY, from the Committee on the Judiciary, submitted the following

REPORT:

[To accompany bill H. R. 4075.]

The Committee on the Judiciary, to whom was referred bill H. R. 2416, respectfully report—

That by the original Pacific Railroad act, approved July 1, 1862, giving aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, it is provided that the main or trunk line of the road should begin at the one hundredth meridian of longitude, and at a point between two hundred and three hundred miles west of the city of Omaha, situated on the Missouri River. At the same time several roads or branches were provided for to start on said river at Omaha and at points from one hundred to two hundred miles above and below that city, viz :

1. The branch running from Omaha, known as the Iowa branch. This was required to be, and has been, built by the Union Pacific Railroad Company, (sec. 14.)

2. The Sioux City branch, starting at Sioux City, on said river, and about one hundred miles north of Omaha. This, by this act, was required to be built by the Union Pacific Railroad Company, (sec. 14,) but by the amendatory act of 1864 could be built by another company, (sec. 17, act of 1864.)

3. The Leavenworth, Pawnee and Western Railroad, to start at the mouth of the Kansas River, being a point also on the Missouri River, more than a hundred miles South of Omaha. (Sec. 9.) This road is now known as the Kansas Pacific Railroad.

4. The Hannibal and Saint Joseph Railroad Company, whose road ran across the State of Missouri, was allowed to extend its road from Saint Joseph, a point on the same river, so as to intersect the Leavenworth, Pawnee and Western Railroad branch last above described, or to connect with the Union Pacific Railroad at the one hundredth meridian or with the Iowa branch at any point east of the said one hundredth meridian. (See sec. 13, act 1867.)

To the several companies that should build the main line from the one hundredth meridian to the Pacific Ocean and these several branches, the Government gave large subsidies of land, and advanced the bonds of the United States, sufficient to almost, if not wholly, construct them.

The purpose of the act was national, to facilitate the transmission of the mails, troops, and supplies, to develop the country and serve the

public generally. For this such large bounty was given, and the companies became the well-paid agents or instruments to effect such purpose. These branches not only ran through Nebraska and Kansas, but met at the Missouri River, the several roads extending from the east through Iowa and Missouri. Where companies did not exist proposing or asking to build any of the branches, the act, in order to carry out the general purpose, required the Union Pacific Railroad Company to build them, as in the cases of the Iowa branch and the Sioux City branch.

"The general object is further evinced by the provision contained in the same act (sec. 12) which requires that "the whole line of the said railroad and branches and telegraph shall be operated and used for all purposes of communication, travel, and transportation, so far as the public and Government are concerned, as one connected, continuous line."

To meet demands in the same direction, and further advance the public interest should occasion require, section 18 says :

And the better to accomplish the object of this act, namely, to promote the public interest and welfare by the construction of said railroad and telegraph line, * * * Congress may at any time—having due regard for the rights of said companies named herein—add to, alter, amend, or repeal this act.

By an amendatory act, approved July 2, 1864, Congress did add to and amend said act. Among the alterations made are the following:

1. The subsidy was largely increased.
2. Power is given to *bridge* the Missouri River and other streams. (Sec. 9, act 1864.)

3. The road and branches are not only required to be operated as a connected continuous line, as demanded by section 12 of the original act, but "in such operation to afford and secure to each equal advantages and facilities, as to rates, time, and transportation, without discrimination," &c. (Sec. 15.)

4. By sections 18, 19, and 20 the Burlington and Missouri River Railroad Company, a corporation of Iowa, which was building a road across Iowa, was authorized to extend its road from the point on the Missouri River, some thirty miles south of Omaha, where it struck said river, and join the Union Pacific Railroad at the 100th meridian, or the Iowa branch heretofore referred to, at any point east of said meridian.

Section 15, however, of this amendatory act, which provides that the several companies, in operating the main line and the several branches, shall "afford and secure to each equal advantages and facilities as to rates, time, and transportation, without any discrimination," refers to "the aforesaid roads," and therefore does not literally in terms include the Burlington and Missouri River Railroad extension provided for in these latter sections. Nevertheless, in our opinion, it was the purpose of Congress to constitute this extension a branch, and to place it in the same relation and upon a like footing as the other branches then already provided for.

1. The authority for its construction and junction with the main road or one of its branches is found in the Pacific Railroad act, which the Pacific Railroad Company accepted, and under which it built its road and Iowa branch.

2. The section authorizing it compels it, like the other branches, to connect with the Union Pacific Railroad not farther west than the 100th meridian.

3. Its construction was authorized with a like view to serving the public interest, as the means for building it were largely supplied by the munificent land grant it received from the Government. This public

purpose would be largely destroyed if the Union Pacific Railroad Company can deny it connection, or permit it to be operated in connection with its road only upon such terms as said Union Pacific Railroad Company may impose. If, as is charged, those who choose to pass over this branch, after paying fare for its length of nearly two hundred miles, must, on going west, pay to the Union Pacific Railroad Company the same fare from the point of junction as from Omaha, the use of this branch is almost forbidden.

4. Section 20, referred to, says: "And the said company" (the Burlington and Missouri River Company) "shall be entitled to all the privileges and immunities granted to the Hannibal and Saint Joseph Railroad Company by the said last-mentioned act so far as the same may be applicable." The "last-mentioned act" means the act of 1862.

Now, there is no feature or provision peculiar to said Hannibal and Saint Joseph Railroad except that it was authorized to connect with the Leavenworth, Pawnee and Western Railroad branch, or directly with the Union Pacific Railroad or its Iowa branch, and the further provision that it should receive subsidy for but one hundred miles—as from the point at Saint Joseph it could and naturally would do with either within that distance. But neither point can be applied to the Burlington and Missouri Railroad extension.

In terms, it was required to connect with the Union Pacific Railroad or its Iowa branch, and it was wholly impracticable to connect with the Leavenworth, Pawnee and Western Railroad branch. Again, in terms, it was to receive subsidy for the full number of miles it should build, and therefore the one hundred mile restriction has no application.

But, in common with the other branches provided for in the act of 1862, it was to be operated in connection with the main line, under section 12 of that act, as a "connected continuous line." To this extent the reference in section 20 of this amendatory act to the Hannibal and Saint Joseph Railroad may be applied. But this would have been as well effected by giving the Burlington and Missouri River Railroad Company the same privileges and immunities as had been given to the other *branches*, and this, no doubt, was thought to have been effected by the terms used.

This being so, no ground exists for contending that it was not the purpose of Congress to confer alike upon this branch with the others the added privilege of bridging the Missouri River, found in section 9 of the amendatory act, and the more enlarged and better defined regulations contained in section 15 of the same act respecting the operation of the main road and branches as to *pro-rata* terms and against discrimination. To carry out this original intent of Congress, by declaring the Burlington and Missouri River Railroad such branch, is the object of this bill.

But whatever may be the opinion respecting the original intention of Congress in this regard, there is no doubt but that Congress has the power to regulate the relations and operation of the several railroads chartered and subsidized by its authority. To do so as is proposed in the bill is due to the public and just and equitable to these roads.

1. From the point of junction to the Missouri River the distance by each road is about the same; that is to say, from Omaha, on the Missouri River, to Kearney, where the roads join, the distance over the Union Pacific Railroad, or rather over the Iowa branch, which is owned and operated by the Union Pacific Railroad, is 195 miles; from Platts-mouth, on the same river, where the Burlington and Missouri River Railroad extension begins, it is 191 miles to Kearney.

2. Neither road has any advantage as respects grade, both running over an almost entirely level country.

3. The objection that the Union Pacific should not be subjected to a *pro-rata* basis in its connection with this branch because of the heavier grade of the former through the mountainous region has not much force. For 300 miles and more west of the point of junction, and till the city of Cheyenne is reached, the Union Pacific Road continues to run in the level valley of the Platte. For this distance, at least, neither road has any advantage, and it is over this that the chief use occurs as far as the Burlington and Missouri branch is concerned.

The majority of the roads running from Chicago, and over which through or national business will go, center at Omaha. This Burlington and Missouri Railroad proper, it is true, starts at Chicago, or the Chicago, Burlington and Quincy Road, in connection with which it runs, does. But this extension of it runs through, and is met by roads passing through, a rich agricultural section, and the value of it consists, as far as its connection with the Union Pacific Railroad is concerned, in furnishing a means to send westward such products and supplies as are demanded at the military posts and Indian reservations. These posts and reservations lie largely north of, and are reached from, Cheyenne and points east of it. A leading purpose expressed in the Pacific Railroad acts is that of facilitating the transmission of troops and supplies. The unjust discrimination practiced by the Union Pacific Railroad Company complained of virtually shuts out competition for furnishing supplies to the Government from that quarter traversed by the Burlington and Missouri Railroad extension, thereby working an injustice to both the Government and those settlers who might otherwise compete.

Again, it will be recollected that in aiding in the construction of the Union Pacific Railroad the Government advanced its bonds for one hundred and fifty miles of the road west of Cheyenne, for that which was supposed to be the work-difficult of construction, to the extent of \$48,000 per mile, or three times the amount allowed for constructing the road east of Cheyenne. For the remainder of the road west of that city double the amount, or \$32,000 per mile, was allowed.

Again, it may be answered that west of Cheyenne, and along the Union Pacific Railroad, lie the vast coal-beds belonging to that company. It may be submitted whether, in view of the proximity to and comparative cheapness of coal, the leading item of expense in the operation of railroads, any more cost attends the running of the Union Pacific Railroad west of Cheyenne than the running of the Burlington and Missouri Railroad extension.

4. It may be further urged, as a reason why the Burlington and Missouri River Railroad may be made a branch of the Union Pacific Railroad without doing any injustice to the company of the latter, that most of the branches originally provided for have not been built, and declaring this road one is but the substitution of a branch which should have been built. The Leavenworth, Pawnee and Western Railroad, provided for by the act of 1862, was subsequently permitted to run directly to Denver, in Colorado.

The Saint Joseph branch was never constructed.

The Sioux City branch, by subsequent authority, was not run southwesterly toward the 100th meridian, as originally intended, but was built down the Missouri River to a point near Omaha and connected with the Union Pacific Railroad immediately west and almost in sight of Omaha, almost wholly defeating its usefulness as a branch.

In fact, except the Iowa branch, which runs directly east from the

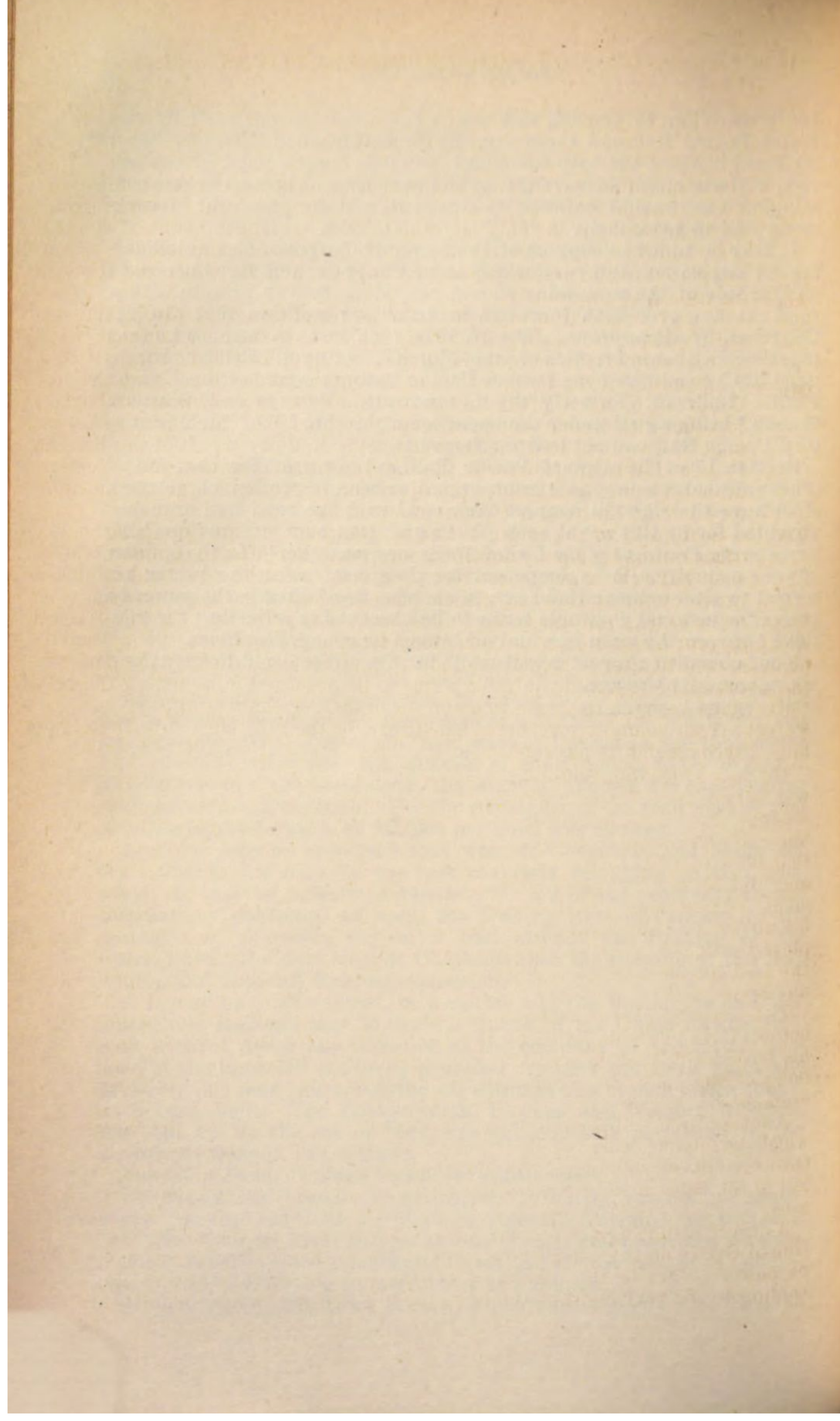
100th meridian to Omaha, and which is owned and operated by the Union Pacific Railroad Company, the Burlington and Missouri River Railroad is about the only one which, from its length, point of connection, and direction, answers the public purpose of a branch as was contemplated in the first instance by Congress, and for which the Government paid so generously.

It may be added in support of the power of Congress, also as indicating its disposition, and particularly in answer to the objection that roads on this side of the mountains should not be allowed to prorate with a road running over both level and mountainous sections, that the last Congress, by act approved June 20, 1874, (vol. 18 U. S. Stat. at Large,) together with second section of act of March 3, 1869, (vol. 15 Stat. at Large, page 324,) constituted the Denver Pacific Railway a part of the Kansas Pacific Railroad, (formerly the Leavenworth, Pawnee and Western branch,) bringing all under the operation of section 15 of the amendatory Pacific Railroad act before referred to.

Section 15 of the original Pacific Railroad act provides that "any other railroad company now incorporated, or hereafter to be incorporated, shall have the right to connect their road with the road and branches provided for by this act at such places *and upon such just and equitable terms as the President of the United States may prescribe.*" In the opinion of your committee, it is competent for Congress, under the power reserved to alter or amend said act, to exercise itself directly the power to prescribe just and equitable terms to be observed in adjusting the relations between the main line and all branch or connecting lines.

Your committee report a substitute for the bill referred to them, and recommend its passage.

H. Rep. 809—2



FIDELIO S. HUNT.

AUGUST 8, 1876.—Committed to a Committee of the Whole House and ordered to be printed.

Mr. TUCKER, from the Committee on Ways and Means, submitted the following

REPORT:

[To accompany bill H. R. 3750.]

The Committee on Ways and Means, to whom was referred the bill (H. R. 3750) for the relief of Fidelio S. Hunt, beg leave to report:

The facts of the case are as follows: Fidelio S. Hunt was appointed by the President in the recess of the Senate, in August, 1865, as internal-revenue collector for the second district of Mississippi. His commission expired July 28, 1866. In June, 1866, he was re-appointed by and with the advice and consent of the Senate, and continued in office until May, 1867. During this period the Treasury account shows him debited with \$2,953,954.86, and credited by \$2,799,086.05, leaving a balance due by him of \$155,024.96.

He was appointed at a period when, just after the close of the civil war between the States, there was great confusion in the State of Mississippi, due to the convulsions of its social condition and the disturbance of the relations between the planter and the laborer. He claims that he was compelled to employ many assistants, clerks, and collectors, and did all in his power honestly and faithfully to serve the Government. These employés, necessary, as he claims, to the full discharge of his duties, he paid; and as the law did not allow the number he employed or make provision for their payment, he notified the head of the Internal Revenue Office, and was told that Congress alone could afford any remedy.

The amount paid out for salaries was very large, and as the law did not authorize a credit for them, the administrator of the collector and his sureties cannot, in a suit now pending against them on the official bond of the collector, plead such payments as credits against the Government.

Another item of his claim is on account of taxes charged to him, but which he claims were bonded and taxes paid in New Orleans to the Government officials there, and for other taxes which he could not collect at all, because of the insolvency of the parties and for other reasons.

As these claims do not present a legal defense against the suit of the United States on the official bond, and as the Treasury Department has no power to act in the matter otherwise, so as to do him justice according to the very right of the case, the bill referred to the committee

provides that the proper accounting-officers be authorized and directed to re-open and re-adjust the accounts of said Hunt; that he be allowed credit for all sums paid by him to employés, on proof that their employment was necessary and the compensation paid was reasonable. Also, that as to uncollected taxes, to allow proper credits therefor on proof that the collector was guilty of no culpable default, that he could not, by the exercise of due diligence, collect such taxes, and that he used due diligence to do so.

It seems to the committee that such relief is proper, and that upon the proof required by this act being furnished, justice demands that an honest and diligent officer should not be held liable for losses he could not avert, or for expenses personally incurred without which he could not have discharged the duties devolved upon him by the Government. The large amount collected in less than two years, nearly \$3,000,000, shows the extent and importance of his duties, made more onerous and difficult of regular performance by the state of the country at that period.

The bill referred to the committee is therefore reported back, with some amendments deemed proper to guard the powers vested in the officers of the Treasury thereby more carefully, with a recommendation that the same do pass.

JOHN T. ARMSTRONG.

AUGUST 8, 1876.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. CABELL, from the Committee on War-Claims, submitted the following

R E P O R T :

[To accompany bill H. R. 4081.]

The Committee on War-Claims, to whom was referred the bill (H. R. 4081) for the relief of John T. Armstrong, of Alexandria, report :

That John T. Armstrong has been a resident of Alexandria, Va., for many years, and adhered to the Government of the United States as a true and loyal citizen during the entire period of the late war, as well as before and since; that at the commencement of the late war said Armstrong was the "leasehold owner" of a certain wharf and appurtenances in the city of Alexandria; that said wharf was taken possession of by officers of the United States Government on or about the 1st day of June, 1863, and was held and used at intervals by the military authorities of the Government for Government purposes for the space of twenty-three months; that it was perhaps entirely necessary at the time that said property should be taken possession of by the Government, but it was well understood by the officers acting on behalf of the Government as well as said Armstrong that the latter should be paid a reasonable compensation for the use of the property; that at the time the Government was using said wharf the said Armstrong was paying rent for the same to the owners thereof *in fee*, and that no compensation whatever has been made to said Armstrong for or on account of said property; that just prior to the occupancy of said wharf by Quartermaster Ferguson, in behalf of the Government of the United States, said Armstrong had expended a considerable sum of money to put the property in repair, and that it was in good repair when taken possession of by United States officers, and proved of great value to the Quartermaster's Department of the United States Army; that it appears by testimony that said Armstrong notified more than one Government official that he desired possession of his property during its occupancy as aforesaid, and that in lieu thereof he would demand \$100 per month for the use and occupation thereof; that it appears that said property was worth, during the occupancy aforesaid by the Government, from \$80 to \$100 per month; that on account of irregularities of the quartermaster and others who occupied said property, payment was not made to said Armstrong for the same; that the Government authorities occupied said wharf from June 1, 1863, to March 4, 1864, and from June 1, 1864, to March 4, 1865, and from June 1, 1865, to November 1, 1865, making in all a period of twenty-three months, for which said space of twenty-three months your committee think that Mr. Armstrong should be paid at the rate of \$80 per month, making the sum of \$1,840, and report a bill for that amount, with recommendation that it do pass.

DR. A. G. TEBAULT.

AUGUST 8, 1876.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. CABELL, from the Committee on War-Claims, submitted the following

REPORT:

[To accompany bill H. R. 4082.]

The Committee on War-Claims, to whom was referred the bill for the relief of Dr. A. G. Tebault, of Princess Anne County, Virginia, report:

That previous to and upon the 27th day of August, 1864, Capt. Thomas P. Jackson was superintendent of the Freedmen's Bureau in Norfolk and adjoining counties, including the county of Princess Anne, in the State of Virginia. That prior to the period above named the Bureau of Refugees, Freedmen and Abandoned Lands had, under the authority of laws passed by the Congress of the United States, and in pursuance of the orders of the military commandant of the department in which was situated said last-named county, assumed entire control and management of a number of farms in said county, and assembled thereon a large number of freedmen, women, and children who were entirely dependent upon and supported by said bureau under the authority of law and the departmental commander as aforesaid. That on or about the said 27th day of August, 1864, the surgeon in charge of the sick and infirm upon said farms was ordered to the front, when said Capt. Thomas P. Jackson, in pursuance of the authority conferred upon him by law and by virtue of his position, contracted with Dr. Alfred G. Tebault, a gentleman of high character and eminence in his profession, to attend upon the sick and infirm located upon five Government farms situated near London Bridge, in said county of Princess Anne; that said Tebault was informed by said Jackson that he would be paid the same pay per month for his services rendered to said freed people as that paid to assistant surgeons of the United States Army; that, in pursuance of said employment, said Tebault entered upon the discharge of his duties, and so continued from the said 27th August, 1864, until 30th October, 1865, rendering not only his services but dispensing medicines and other necessities at his own expense to the occupants of said five farms, numbering upon an average 170 women and children, all of whom were helpless and destitute, and entirely dependent upon the Government, which had assumed their control, management, and support; that, according to the ample proof in the case, Dr. Tebault rendered valuable and efficient medical aid to the sick and infirm upon said farms during the period aforesaid, for which services and the medi-

cines dispensed by him, owing to the irregular management of such matters incident to a period of war, he has never received any compensation whatever. Your committee find that it was usual during the period of the war for departmental commanders and their subordinates to employ by contract surgeons and physicians to attend upon the sick and wounded dependent upon the Government, when by any accident or mischance regular surgeons could not be spared from the field or from Government hospitals.

Your committee are also of the opinion that under the circumstances and in the interests of ordinary humanity, the said Captain Jackson was justified in employing said Dr. Tebault to take the care and charge of the sick and infirm upon the Government farms aforesaid, who, without such medical aid as incident to the care and support promised when they were placed upon said farms, would have greatly suffered. The testimony shows that the services of a physician and surgeon were at all times during the period referred to required by the situation of the inhabitants of said farms, and that said attention was rendered fully and faithfully by said Tebault, who rendered his services and dispensed his medicines under the employment aforesaid and in the full belief that he would be paid according to the terms of the contract entered into by him with Captain Jackson.

Your committee, therefore, report a substitute for said House bill, paying to Dr. Tebault the sum of \$1,000 for services rendered and medicines furnished to the occupants of the farm aforesaid from August 27, 1864, to October, 1865, and recommend its passage.

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STOCKBRIDGE AND MUNSEE INDIANS.

AUGUST 8, 1876.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORGAN, from the Committee on Indian Affairs, submitted the following

REPORT:

[To accompany bill H. R. 4086.]

The Committee on Indian Affairs, to whom was referred the petition of George T. Bennett and others for the relief of the Stockbridge and Munsee tribe of Indians in the State of Wisconsin, submit the following report:

That, prior to 1856, difficulties and dissensions of a serious character had for many years existed within said tribe, to allay which several treaties and laws had been made, but without effect. In 1856, for the purpose of settling all past differences in the tribe, and again uniting the members thereof in a common brotherhood, a treaty was concluded and signed by the individual members of the tribe, by which treaty the Indians surrendered their lands at Stockbridge and received in exchange the lands at Shawano, where they have ever since resided. By the terms of the treaty the lands at Shawano were to be allotted to the individual members of the tribe, heads of families, which was done immediately after their removal to their new home; and such allotments have ever since been occupied by the families to whom they were so assigned.

The treaty was satisfactory to the tribe, and all the members accepted it as a settlement of former difficulties, removed to the new reservation, and resided there in peace until 1871, at which time a minority of the tribe obtained the passage of a law through Congress, which, among other things, provided for an enrollment of the tribe, and the distribution of tribal funds according to such enrollment. This law and the enrollment under it were not opposed by any members of the tribe, none apprehending that any persons would be excluded who were parties to the treaty of 1856. When the enrollment under the act of 1871 was made, under the direction of the officers of the tribe, and who were principally instrumental in obtaining the law of 1871, a majority of the tribe were arbitrarily and, as the committee believe, wrongfully denied enrollment, for reasons existing *before* the treaty of 1856, and which apply with equal force to those who *were* enrolled under the law of 1871. After the completion of this enrollment, the minority, which had been enrolled, and constituting the *de facto* government, declared that those denied enrollment were not members of the tribe, and had no interest in tribal funds or in the reservation, and have re-allotted the lands of those excluded, assigning their homes, on which they have resided for twenty-five years, to members who were permitted to be enrolled under the act of 1871. The Government of the United States, in recognizing the *de facto* government as the *proper* govern-

ment, has affirmed the said enrollment, and denied the excluded portion of the tribe any relief, referring the whole matter to Congress.

Following up their design to drive the majority of the tribe off the reservation, and absorb to their own use the tribal property, the minority have notified the excluded portion of said tribe to leave the reservation, and the Secretary of the Interior has directed their removal.

The committee have had this matter under consideration for several months, and have given it careful attention, and the committee believe that great injustice is intended to the portion of the tribe sought to be excluded from the reservation. They gave up their homes at Stockbridge and moved to this reservation under treaty stipulations, to which each one was a party. They have resided on the lots assigned to them for a quarter of a century, supposing them to be their own. They have no other homes, and, if driven away, they and their families will be beggars and vagrants.

The committee are of the opinion that whatever may have been the equities between the members of the tribe in regard to the lands occupied by it prior to the treaty of 1856, that treaty must be regarded as a settlement of all differences prior thereto, and that in virtue thereof every member of the tribe signing that treaty obtained an equal interest with every other member in the lands acquired by it, and the Government is bound to carry out in good faith the object sought to be accomplished by it.

The committee recommend the passage of the bill herewith reported.

MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

AUGUST 9, 1876.—Laid on the table and ordered to be printed.

Mr. JOHN B. CLARK, Jr., from the Committee on the Post-Office and Post-Roads, by unanimous consent submitted the following

REPORT:

[Forty-fourth Congress, first session.]

CONGRESS OF THE UNITED STATES,
IN THE HOUSE OF REPRESENTATIVES,
January 14, 1876.

On motion of Mr. Morrison, from the Committee on Ways and Means—

Resolved, That the several committees of this House having in charge matters pertaining to appropriations, foreign affairs, Indian affairs, military affairs, naval affairs, post-office and post-roads, public lands, public buildings and grounds, claims and war-claims, be, and they are hereby, instructed to inquire, so far as the same may properly be before their respective committees, into any errors, abuses, or frauds that may exist in the administration and execution of existing laws affecting said branches of the public service, with a view to ascertain what change and reformation can be made so as to promote integrity, economy, and efficiency therein; that the Committees on Expenditures in the State Department, in the Treasury Department, in the War Department, in the Navy Department, in the Post-Office Department, in the Interior Department, in the Department of Justice, and on Public Buildings, be, and they are hereby, instructed to proceed at once, as required by the rules of the House, to examine into the state of the accounts and expenditures of the respective Departments submitted to them, and to examine and report particularly whether the expenditures of the respective Departments are justified by law; whether the claims from time to time satisfied and discharged by the respective Departments are supported by sufficient vouchers, establishing their justness both as to their character and amount; whether such claims have been discharged out of funds appropriated therefor, and whether all moneys have been disbursed in conformity with appropriation laws; whether any, and what, provisions are necessary to be adopted to provide more perfectly for the proper application of the public moneys and to secure the Government from demands unjust in their character or extravagant in their amount; whether any, and what, retrenchment can be made in the expenditures of the several Departments, without detriment to the public service; whether any, and what, abuses at any time exist in the failure to enforce the payment of moneys which may be due to the United States from public defaulters or others, and to report from time to time such provisions and arrangements as may be necessary to add to the economy of the several Departments and the accountability of their officers; whether any offices belonging to the branches or Departments, respectively, concerning whose expenditures it is their duty to inquire, have become useless or unnecessary; and to report from time to time on the expediency of modifying or abolishing the same; also to examine into the pay and emoluments of all officers under the laws of the United States and to report from time to time such a reduction or increase thereof as a just economy and the public service may require. And for the purpose of enabling the several committees to fully comprehend the workings of the various branches or Departments of Government, respectively, the investigations of said committees may cover such period in the past as each of said committees may deem necessary for its own guidance or information or for the protection of the public interests, in the exposing of frauds or abuses of any kind that may exist in said Departments; and said committees are authorized to send for persons and papers, and may report by bill or otherwise.

Resolved further, That the Committee on Public Expenditures be instructed to inves-

II MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

tigate and inquire into the matters set forth in the foregoing resolutions in the legislative department of the Government, except in so far as the Senate is exclusively concerned, and particularly in reference to the public printing and binding, and shall have the same authority that is conferred upon the other committees aforesaid.

Attest:

GEO. M. ADAMS,
Clerk.

The committee appointed under the resolution of the House to make investigation relative to the conduct and management of affairs connected with the Post-Office Department, have discharged their duty as fully as the circumstances of the case would permit, and beg leave to submit the following report for the information, consideration, and action of the House:

The testimony is voluminous, containing much information upon the methods, administration, personal conduct of the officers of the Department, the action of contractors connected therewith, and some of the principal routes of service, through which the Government was defrauded. Yet the testimony is defective and incomplete, in that some of the witnesses were unwilling to impart the facts within their knowledge; others absconded, so that they could not be made to respond to the subpoenas; and others, still, are dead.

The results of the investigation, we believe, are of sufficient importance to suggest further reforms in the administration of this important Department of the Government, and are such as will suggest necessary legislation, create a healthy public opinion in the matter of civil service, and should lead to censure and prosecution of the parties in and out of office who have conspired to and aided in schemes of public plunder. But we believe, from the results obtained, that still greater abuses exist, and many guilty parties are yet undetected.

The abuses discovered in the administration of the postal service, whether reflecting upon the higher or lower officials of the Department, or upon the contractors operating in connection with the Department, or both in combination, seem, so far as the testimony extends, to have originated with the ring-contractors in a method of obtaining contracts at exorbitant prices, appropriately characterized as the "straw-bid system," which had its beginning several years back, but seems to have reached its highest development under the administration of Postmaster-General Creswell, and has continued, with less force, however, under his successors.

Mr. Creswell, in this connection, states in his testimony:

In the first year I was Postmaster-General, 1869, there was scarcely any, if any, straw-bidding; none that came to my attention. That was the letting for the New England States and New York. When the next year came around, it was reported to me, after opening the bids, that there had been what was called straw-bidding.

As appears from the evidence, these contractors, in order to defeat the efforts of the Department in obtaining a contract on fair and reasonable terms for transporting the mails, formed a ring of many bidders, whose bids ranged from exorbitantly high figures to manifestly small amounts. The contract is awarded to the lowest bidder, who fails, in the interest of the ring; then every next lower bidder would retire or refuse to answer when notified, leaving the Department the alternative between some bidder higher up the list or a continuance of the old contract in the nature of temporary service, the temporary service always being performed by the old contractor, at the old exorbitant prices, because no one else on the long mountain-routes in the Territories would be prepared to commence temporary service, the old contractor owning

he horses, stages, &c. Where there were bidders who did not belong to the ring, the testimony shows that these bidders in many instances received large sums to refuse to answer to the bids when notified that the lowest bidder had failed to execute the contract. The contractor was by this means enabled to virtually control the contract and force the Department to let to him on his own terms.

In operating this vicious system for the purposes of plunder and corruption, there appears from the testimony to have been a combination between these rings.

First, a ring of contractors.

Second, a ring of officials, embracing clerks in the contract-office, and sometimes an intermediary ring of brokers or agents, by which the two former combinations were brought in contact, and enabled to effect and perfect their schemes against the public Treasury.

That many clerks in the Department were in the pay of some of these contractors was fully developed in the trial of one Hinds, and the circumstances surrounding that case force us to believe that this corrupt combination between those clerks and contractors pervaded all those usually denominated ring-contracts to such an extent that the contractor was enabled, from information gained from the clerk who had official access to the records, to know positively who was the lowest bidder, making it an easy matter for him always to have the lowest bid on any contract he desired to manipulate. The contractor thus made secure in the lowest bid, would commence his operations to control all other bids up to a point at which he wished to carry the mail. It is needless to say that this was always at an exorbitant price. As an illustration of this pernicious system that pervaded all the valuable contracts on the western rivers and Territories, we submit the following extract from the testimony of John E. Reeside, of route 7587:

ROUTE No. 7587.

From Fort Gibson to Sherman, 205 miles, and back, three times a week.

Proposals invited to run by schedule, allowing 48 hours running-time each way.

Bidders' names.	Sum per annum.	
Thompson, Pate & Monroe	\$80,049.	
Anderson Arnot	74,000.	
Jos. E. L. Rowland	34,000.	Invited service.
George W. Cook	31,500.	Forty-eight-hour schedule.
James B. Price	30,000.	
	60,000.	Invited service.
John Hughes & Co	29,500.	
J. S. C. Rowland	29,000.	
Reuben Middleton	26,000.	
John Hughes	23,500.	
George W. Cook	32,000.	
J. W. Johnson	21,200.	
	28,000.	Invited service.
William O. Osgood	20,300.	
D. D. Searle	20,000.	Invited service.
Adam E. Smith	20,000.	
	26,000.	Forty-eight-hour schedule.
Silas Wolverton	19,942.	
	24,972.	Invited service.
J. J. Gallaher	19,900.	Forty-eight-hour schedule.
James W. Parker	19,900.	
	23,900.	Forty-eight-hour schedule.
C. M. Lockwood	19,000.	
Bradley Barlow	19,000.	
	22,000.	Invited service.
Virgil W. Parker	18,970.	
	22,900.	In forty-eight hours.

IV MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

Bidders' names.	Sum per annum.	
F. C. Taylor	\$18,700.	
	21,800.	Forty-eight-hour schedule.
Leroy G. Terry	18,500.	
	27,000.	Forty-eight-hour schedule.
S. P. Wheeler	17,993.	
George Babcock	17,500.	
F. P. Sawyer, jr	17,450.	
	20,000.	Forty-eight-hour schedule.
C. W. Foster	17,000.	
	22,000.	Invited service.
J. T. Chidester	16,400.	
	18,800.	Forty-eight-hour schedule.
Charles H. Tanner	16,000.	
	17,950.	Forty-eight-hour schedule.
D. D. Searle	15,000.	
Asa Truesdell	15,000.	
Andrew Steuart	14,700.	
	16,800.	Forty-eight-hour schedule.
Jonathan Vaile	14,200.	
Henry A. Burt	14,000.	
	28,000.	Forty-eight-hour schedule.
Charles H. Tanner	13,800.	
	15,950.	Forty-eight-hour schedule.
Samuel T. Scott	13,700.	
	14,700.	
J. J. Hinds	13,500.	
M. H. Eggner	13,487.	Forty-eight-hour schedule.
William M. Griffith	13,100.	
U. E. Fisher	12,999.	
	12,999.	
	18,999.	Forty-eight-hour schedule.
H. M. Vaile	12,000.	
J. J. Hinds	12,000.	
Charles H. Tanner	11,500.	
	13,400.	Forty-eight-hour schedule.
S. B. Anderson	10,900.	
	13,500.	Forty-eight-hour schedule.
B. F. Akers	10,900.	
Theodore Stemers	10,000.	
	11,500.	
M. H. Eggner	9,740.	
J. J. Cochran	7,990.	
J. J. Cochran	9,000.	Forty-eight-hour schedule.
A. E. Haskell	7,980.	
Blair & Annable	7,500.	
Henry C. Lovell	6,800.	
	8,600.	Forty-eight-hour schedule.
W. C. Galloway	6,300.	
	9,000.	Forty-eight-hour schedule.
Henry Gates	5,500.	
	8,500.	Forty-eight-hour schedule.
A. G. Allen	4,950.	
	7,200.	Forty-eight-hour schedule.
J. T. Walton	4,900.	
	6,000.	Forty-eight-hour schedule.
William Addoms	4,800.	
M. Bannister	3,000.	
	5,000.	Forty-eight-hour schedule.
Bracken & Hines	2,495.	Invited service.
J. A. Moore	1,000.	
	1,500.	Invited service.
William Wood	700.	
	900.	Forty-eight-hour schedule.

Accepted March 30, 1871.

Contract was drawn, dated March 30, 1871, and transmitted to William Wood, at \$900 per annum, by schedule, allowing forty-eight hours running-time each way, but it was never executed.

"July 12, 1871.—Authorize F. P. Sawyer to carry mail temporarily on route six

times a week, by schedule of forty-eight hours running-time, at \$34,296 per annum, former rate of pay.

"July 17, 1871.—Accepted bidder having failed to begin service, contract with F. P. Sawyer, of Washington, D. C., from July 1 to December 31, 1871, or until otherwise ordered, at \$34,296 per annum, for service six times a week, and re-advertise route.

"Leave Fort Gibson daily, except Sunday, at 6 a. m.; arrive at Sherman in forty-eight hours. Leave Sherman daily, except Sunday; arrive at Fort Gibson —."

The bids on the route (7587) range from \$80,049 as low as \$900, which was the lowest bid on a route of two hundred and five miles.

Of course the lowest bidder failed to execute his contract, and temporary service was let to the old contractor at \$34,290 per annum. It is a noticeable fact that a large number of the bidders on this route are known as ring contractors, many of them then, as well as now, having large contracts with the Government.

The House will also take notice of the fact that F. P. Sawyer, jr., a son of the old contractor, was a bidder at \$17,450 or \$20,000 for invited service.

By administering the Department in violation of law, in some instances; in others administering it under a vicious and questionable construction thereof; in others still, by an evasion of the spirit of the statute, when the letter was seemingly recognized; and by either incompetency or corrupt officials, the following corrupt and evil practices obtained:

First. Service was improvidently and inconsiderately granted where no public demand existed or public convenience accrued.

Second. Exorbitant prices were allowed for services when needed and the work when done.

Third. Services when not rendered according to the contract, either in spirit or measure, were nevertheless fully paid for.

Fourth. When fraud was detected on the part of contractors, no adequate action has been taken by officials to either punish or correct the fraud.

Fifth. When official dereliction or corruption or remissness was discovered, the Department took no sufficient measures to punish delinquents or to prevent a recurrence of similar official wrong-doing; so that the Government lost annually, in violation of law and through corrupt practice, millions of the public money; and the guilty parties in office and out of office have generally gone free both of prosecution and punishment.

To show with more fullness the extent of the frauds perpetrated against the Government, and to indicate somewhat in detail the methods of these frauds and the parties culpable, inside and out of the Postal Department, your committee call attention to the subjoined statement of facts, as appears from the evidence bearing upon the routes of mail-service heretofore designated, as the same is embraced in the Huntley, Barlow, Kittle, and Peterson contracts.

It appears in the evidence that these abuses were practiced in the States of Arkansas, Louisiana, and Texas, and on all the expensive routes in the Territories, including the Mississippi River and its tributaries. The routes openly held by the ring are estimated by witnesses to be about forty, but they controlled others by powers of attorney. The land routes were let in 1870 and 1871 by Postmaster-General Creswell, and it appears from the evidence that they were advertised for a less number of times per week than the old service, making a show of economy, which finally worked into the hands of the ring by increasing the service so admirably, that it seems hard to escape the conviction that it was part of a premeditated programme.

The attention of the House is called to the fact that in all these routes within the first year, and in many instances within the first month, there was an order for increased service from one trip per week to two, and frequently six times, increasing pay of contractors at a pro-rata rate on original contract. When one trip is stipulated for in contract and the Postmaster-General orders two, the pay is doubled, and further as the trips are increased in the same proportion.

The House will note in this connection that it is a general understanding among contractors, and those who have a knowledge of postal subjects, that the expense incurred in starting a stage-line for once a week is almost sufficient for an additional trip, and that the additional expense incurred is slight in comparison to the additional pay received.

Above all things the contractor wishes a route upon which he can get an increased service, knowing that this is the most profitable. To illustrate the foregoing, we append statements from the evidence showing contract pay, date of orders, and amount of increase on the following routes:

Route 15414, from Walla-Walla, Washington Territory, to Missoula, Montana Territory.—Contract entered into with C. C. Huntley July 26, 1870, to run from July 1, 1870, to June 30, 1874, at \$22,900 per annum. July 29, 1870, orders one additional trip on side supply from Missoula to Stevensville, 40 miles, and allow contractors \$2,022 additional per annum from August 16, 1870. August 23, 1870, extends service on side supply from Stevensville to Girds Creek, increasing distance 45 miles, and pay of contractor \$4,550 per annum pro rata from September 16, 1870. November 10, 1870, recognize service of C. C. Huntley in conveying the mails two additional trips per week over that part of the route from Missoula to Stevensville, July 1 to August 15, 1870, at the rate of \$4,044 per annum, being pro rata, and refer to Auditor to pay. December 22, 1870, orders two additional trips per week, and on that part of this route between Walla-Walla and Missoula, 413 miles, and allow contractor \$41,754 additional pay per annum from January 1, 1870.

Route 14773, Oroville to Portland, Oregon, 556 miles, and back, daily mail.—Contract with Bradley, Barlow & Co., at \$134,000 per annum from December 30, 1870, to June 30, 1874. Order May 3, 1871: curtail route to begin at Tehama, omitting Rock Creek and Pine Creek, decreasing distance fifty miles, and pay \$11,837 per annum; reduce service one trip per week between Red Bluff and Shasta, 40 miles, decreasing pay \$1,353 per annum; six trips per week between Shasta and Callahan's Rancho, 75 miles, decreasing pay \$15,219 per annum; and one trip per week between Callahan's Rancho and Yreka, 40 miles, decreasing pay \$1,353 per annum. Embrace Parkville, Battle Creek, Millville, and Stillwater, Portuga, Beryville, Edgewood, and Gazelle, between Red Bluff and Yreka, increasing distance 153 miles and pay \$36,223 per annum pro rata. Allow \$2,440 per annum for six times a week service between Oroville and Chico, 24 miles, not pro rata, and allow contractor \$8,861 additional per annum from May 8, 1871. June 8, 1872, order an increase of expedition so as to reduce the running time from four days fourteen hours in summer, and nine days four hours in winter, to three days in summer, and five days in winter, and allow contractor \$45,945 additional per annum, being a sum equal to the actual increase in stock and carriers on that part of the route between Tehama and Eugene City, 382 miles, from July 1, 1872.

Route 16662, from Kelton, Utah, to Dalles, Oregon.—Contract with J. W. Parker, Owen Tuller, T. Smalley, Barlow, Bradley Barlow, of Saint Albans, Vt., agent, at Hill Beachy's bid, \$192,000, from August 16, 1870, to June 30, 1874. June 17, 1871, order one additional trip and allow contractor \$32,000 per annum from July 1, 1871, being pro rata. July 26, 1872, recognize the service of Parker, Tuller & Barlow in carrying the mails from Cayuse, by Pendleton and Meadowville, to Umatilla and back, daily, from July 1, 1870, to June 30, 1872, at the rate of \$5,000 per annum, and refer to Auditor to adjust and pay. August 8, 1872, order a side supply from Cayuse, by Pendleton and Meadowville, to Umatilla, 45 miles and back, daily, and allow contractors \$5,000, being less than pro rata, but agreeable to proposition from July 1, 1872.

Route from Kit Carson to Santa Fé, August 16, 1870.—Let this route begin at Kit Carson, and contract with Bradley Barlow, at his bid of \$95,400 per annum, subject to the provisions thereof from September 1, 1870, to June 30, 1874, making failing bidder and his guarantors liable. April 5, 1871, order an additional trip per week, and allow \$15,833 per annum additional pro rata from April 16, 1871.

Route 17401 from Santa Fé to El Paso.—August 16, 1870; contract with Bradley Barlow and I. L. Sanderson, at I. L. Sanderson's bid of \$39,000 per annum from September 17, 1870, to June 30, 1874. Making failing bidder and his guarantors liable. April 5,

1871, order four additional trips per week on this route and allow contractor \$52,000 per annum from April 16, 1871, being pro rata.

Route 17404 from Mesilla, New Mexico, to Los Angeles, California, 847 miles.—Advertised once a week, and proposals for twice, August 16, 1870. Contract with Bradley Barlow, T. J. Barnum, and I. L. Sanderson, at T. J. Barnum's bid of \$124,000, from September 1, 1870, to June 30, 1874, making failing bidder and his guarantor liable. December 14, 1870, increase service on this route between Mesilla and San Diego one additional trip per week, and between San Diego and Los Angeles, 130 miles, four additional trips per week, and allow contractor \$88,000 additional per annum, less than pro rata, but agreeable to proposition, from January 1, 1871. April 24, 1871, embrace Florence and Sanford, between Tucson and Sycatone, increasing distance 20 miles and pay \$2,500 per annum, less than pro rata, but agreeable to proposition from January 1, 1871. August 12, 1872, extend service from Pinos Altos to Silver City, 10 miles and back three times a week, allow contractors \$1,960 additional per annum, pro rata, from August 16, 1872. May 14, 1873, allow contractors \$1,000 additional per annum to expedite the schedule between San Diego and Los Angeles, 146 miles, from 36 hours to 24, and \$1,000 per annum to perform 7 trips per week in lieu of 6, between same points, from June 1, 1873, as per agreement.

Route 7505.—Recognized service of the Memphis and Saint Louis Packet Company, J. A. Scudder, agent, from the 20th to the 31st July, 1871; the amount of transportation for that period, \$442.30. There was a short contract made with B. H. Peterson from August 1 to December 31, 1871, at \$18,400 per annum, and for that period was paid \$7,650. It was then continued by order of the Postmaster-General from January 1 to June 30, 1872, and for that period was paid \$9,200. The contract with Bodine C. Peterson commenced July 1, 1872, and continued to June 30, 1875. During that period was paid, July 1 to December 31, \$9,000; January 1 to June 30, 1873, \$11,250; July 1, 1873, to June 30, 1875, two years, \$54,000.

The whole amount of fines, deductions, and special agents' fare for the period is \$6,896, which, deducted from the amount of transportation for that period, (including the amount which was remitted, \$606,) leaving the amount paid, \$85,262.30. That includes the history of that route for the time.

In addition to the above, the Petersons had a contract, first for a tri-weekly mail, increased to a daily, from New Orleans to Red River Landing; also a land route from Red River Landing to Shreveport; also from New Orleans to Saint Francisville, from Memphis to White River, and other temporary service on Mississippi River and its tributaries.

Reviewing the methods of administration, in view of the law and the facts bearing upon the case, the committee submit the following conclusions for the consideration of the House:

ADMINISTRATION OF POSTMASTER-GENERAL CRESWELL.

The abuses incident to the existence and practice of the sham method of obtaining contracts, known as the "straw-bid system," had its first notable development and its most offensive prevalence under this postal administration; was known to exist by the head of the Department, and, ostensibly, efforts were made to correct the conceded evils of the system. Mr. Creswell puts in his testimony official statements, and personal evidence, as supplemental thereto, which were evidently intended as an elaborate defense of his official action; but this defense makes such concessions as cause it to fail of its purpose, and to put the official conduct of that officer under grave suspicions, affecting either his integrity or competency as a public officer. Indeed, his testimony, considered in connection with the postal laws and other unimpeached testimony, suggests either collusion between the Department and wrong-doers, or else a criminal negligence or a gross incompetency in the apprehension and discharge of the duties of the office.

First, there was positive violation of law in the instance of the contracts given to Peterson. The provisions of section 264, postal laws, read:

That the Postmaster-General may contract with the owner or master of any steamboat plying upon the waters of the United States, or of any steamship, or other vessel

plying between ports of the United States, for carrying the mail for any length of time less than four years, and without advertising for proposals therefor, whenever the public interest and convenience will thereby be promoted; but the price paid for such service shall in no case be greater than the average price paid under the last preceding or then existing regular contract on the same route.

It was well known to the Department, both Mr. Creswell and Second Assistant Postmaster-General Giles A. Smith, who had immediate charge of the contracts, that Peterson was neither the owner nor master of any vessel plying upon the Mississippi, or any of the tributaries thereto. Under the provisions of the law he was not qualified to become a contractor, yet he was given the monopolistic control of all the contracts on the aforesaid rivers, and these contracts were made with him directly, and not as the agent for the owners or masters of vessels. It is true that he was the agent of all the principal steamers plying upon these rivers, empowered to enter into contract for mail-service for them, but he did not use his agency for the purposes contemplated by the parties who appointed him to represent them, but for a corrupt purpose, as will further appear in the consideration of this case.

As a matter of fact, the evidence will show that he took these contracts in his own name and sublet the different routes at large profits. As an illustration, the testimony will show that John A. Scudder, the owner of a steamboat, put in a bid to carry the mail from White River to Vicksburgh. The lowest bidder having failed, Scudder became eligible, and was prepared to carry it out in good faith according to the conditions of his bid. He received no notice, as was the custom under the regulations, and the contract was awarded to Peterson at much higher figures. Scudder's bid was \$7,000. Peterson sublet to Scudder at \$10,000, giving Scudder \$3,000 more than he bid to do the work for.

Peterson did not sign these contracts as the agent or attorney for the owners and masters of steamboats, though he held their letters of authorization to do so, but in his own name; and granting him a contract under the circumstances, and in so many instances, were violations of the law, which both Mr. Creswell and Mr. Smith must have known.

Again, section 250, postal laws, declares—

That no contract for carrying the mail shall be made with any person who has entered, or proposed to enter, into any combination to prevent the making of any bid for carrying, or who made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person not to bid for any such contract. And if any person so offending is a contractor for carrying the mail, his contract may be annulled; and, for the first offense, the person so offending shall be disqualified to contract for carrying the mail for five years, and for the second offense shall be forever disqualified.

It is in evidence that Peterson entered into a combination to prevent the making of bids for certain routes, notably the Mississippi River, by which he secured the agency of all the owners and masters of steamers on said river; that he secured these agencies by representing to the steamboat men that he alone could obtain contracts over said routes from his peculiar influential and intimate relations with the Second Assistant Postmaster-General and the Postmaster-General himself, as will appear in the testimony of Leathers, Scudder, and other owners and captains of steamboats; and he thus monopolized all the valuable contracts on the aforesaid rivers at exorbitant prices, then subletting the same, as his interests dictated, to the men whose powers of attorney or letters of authorization he held. This conduct was well known to the Department, as appears in the testimony of the Postmaster-General himself, and was a flagrant violation of the provisions of section 250,

already recited, and subjected him not only to the annulment of his contract after it had been executed, but disqualified him from becoming a contractor at all. Yet the Department, knowing these things, continued to give him its confidence and its most valuable contracts.

Peterson was well known in the Department. The friend of Mr. Creswell, and an old and intimate friend of Second Assistant Postmaster-General Smith, having followed his fortunes during the war as regimental and brigade surgeon, and commenced his career as a contractor on Smith's advent into the Post-Office Department, he impressed the river-men and the clerks in the Department with the belief that he had controlling influence with the heads thereof, and openly traded on this alleged influence. He operated as a contract-broker or middle-man, and was well known to have neither the money nor the outfit to undertake and carry out these contracts. And yet, with a full knowledge of his character and his operations, neither Mr. Creswell nor Mr. Smith ever deemed it necessary to investigate the matter of the Peterson contracts, the manner in which he performed the service, nor did they ever abridge his contracts, but, as appears in the evidence of O'Brien, they paid him money, in violation of the regulations of the Department, in the absence of any certificate that the service had been rendered. So this man was permitted to plunder the public revenues during the whole administration of Postmaster-General Creswell, and until the attention of his successor, Mr. Jewell, had been called to the magnitude and enormity of the Peterson frauds.

The conclusions reached in this criticism and censure of the maladministration of the Department, in the instance of the Peterson contracts, is abundantly sustained, not only by the testimony of the witnesses named, but by the evidence of Woodard, Holbrook, O'Brien, Sickels, Hopkins, and Reeside, found in the printed testimony.

Section 247, declares—

That any postmaster or other officer of the Post-Office Department, who shall affix his signature to the certificate of sufficiency of guarantors or sureties before the guarantee or contract is signed by the guarantors or sureties, or shall knowingly make any false or illusory certificate, shall be forthwith dismissed from office, and shall be deemed guilty of a misdemeanor, and shall, on conviction thereof, be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both.

Notwithstanding the stringency of this act, postmasters have, with utter recklessness, ignored, or with corrupt design, in multitudes of instances, given certificates of sufficiency of guarantors or sureties that were false and illusory, so that probably a majority of the bonds accompanying bids for contracts are insufficient and worthless.

This practice not only withdraws a necessary safeguard from the public service, but tends directly to invite and encourage the system of sham or dishonest bidding that has been the source of such great evil to the postal service. As an instance at hand of the recklessness with which the law in this particular has been violated, we may refer to the postmaster of Washington, D. C., J. M. Edmunds. The worthlessness of the certificates referred to, and the utter insufficiency of the bonds designated, and the guilt and negligence of postmasters in this connection must have been known to Mr. Creswell and Mr. Smith, if they are credited with even ordinary fidelity and intelligence of the duties of their positions. Yet we do not see that any general effort was made to detect and punish postmasters for this conduct by dismissal from office or otherwise.

Second. He established service at great expense over routes that the

public necessities did not require, and by which the public convenience was not subserved, and without any sufficient reason. At great cost he increased the service on routes already established, profiting thereby, not the people, whose money was consumed, but simply the contractor and his friends.

Among the needless routes we mention, from Washington to Norfolk, and from Baltimore to Fredericksburgh, (see Reeside's testimony;) from Boise City to Kelton, (see testimony of Underwood;) increase of service from Kelton to Dallas; on the Missoula and Walla-Walla routes, and more or less on all the routes heretofore specifically described, which will appear from the following tabulated statement:

Route.	Per annum. Contract services.	Per annum. Increase pay.
15414	\$23,900	\$47,522
15703	33,000	44,000
16622	192,000	37,000
17032	95,000	16,833
17401	30,000	52,000
17404	124,000	89,560
17773	134,000	63,677
	631,900	350,592

The evidence of Special Agent Underwood and James L. Fisk show that the route from Walla-Walla to Missoula was for a great distance through an uninhabited, mountainous country, many miles of it considered unnecessary as a mail-route, as there were no towns nor people along the route to be accommodated. It is stated by these witnesses, and by Ex-Postmaster Moore, of Walla-Walla, that frequently not half a dozen letters and papers would pass over the route in a quarter, and that the estimated cost for carrying each letter would be from six to eight hundred dollars.

Mr. Fisk brought these facts to the attention of Mr. Creswell, embodied in a written form at his request, which it appears has since been displaced or stolen from the records. Ex-Postmaster Moore believes that his removal was brought about through Huntley's instrumentality, because of his recommendations that this route was an unnecessary one.

Special Agent Underwood makes a report to Chief Clerk Woodward in regard to the route from Kelton to the Dalles in Oregon, from which we will make the following extract:

We find that service was increased from six to seven times per week, and an allowance of \$32,000 for same. This was done without the advice of the agents of the Department, who were well acquainted with the service, and in my opinion was wholly unnecessary and unwarranted by the facts and the demands of the country.

Also,

We find an indorsement on jacket showing that the Department was advised that contractors were running a daily line of stages from Cayuse, via Pendleton and Meadowville, to Umatilla, yet Department allowed contractors \$5,000 per annum for said service, making their full pay \$229,000 per annum, when the facts were there was no other way to get from Cayuse to Umatilla except by Pendleton, and the stages had to go that way, and always have since the stages have ran through that country.

That part of this route from Boise City to Kelton, Agent Underwood tells the committee is, in his opinion, entirely unnecessary. "There is one route, from Boise City to Kelton, that intersects the railroad 792 miles from San Francisco, and one at Winnemucca, 464 miles from San Francisco, making 328 miles between the two points."

Between Boise and Kelton is a desert country. There it no one living on the line of the road, and there are no post-offices except one little

way-office called Rock Creek, at a stage-station, and Boise is supplied from Winnemucca. It is also in evidence that the only consideration that demands this route from Boise to Kelton is the fact that the citizens at Boise and on the route beyond receive the mail twelve hours sooner than from the railroad at Winnemucca, on account of Winnemucca being 328 miles farther west on the railroad.

In regard to the Oroville and Portland route, we find that contract was let to Barlow at a private letting, without advertisement, he being the lowest bidder of three, at \$134,000. It does not appear but that the manner of letting the contract was in direct violation of law, but it is due to the Postmaster-General to say that it was more economical than if he had followed the letter of the law. Attention is further called to Special Agent Underwood's testimony, from which we make the following extract:

We find in connection with this route that there was advertised at the same time and a contract let on route 14814, from Red Bluff to Yreka, by way of what is known as the Sacramento route, a distance of 153 miles, once a week, for \$2,576 per annum. Petitions were filed asking that through mails be sent over that route daily; instead of which we find that the route was discontinued altogether, but do not find any consent of contractor to that arrangement. On same day that the service was discontinued on route 14814, and one month's extra pay allowed contractor, the said route was made a part of, or side-supply of, route 14773, and Bradley Barlow allowed \$36,223. Had the service on route 14814 been increased to a daily it would have cost \$18,032.

Third. He authorized and allowed to be paid, in violation of the regulation of the Department, moneys claimed for services before the certificate that said service had been performed was received by the Department, and sometimes on evidently fraudulent certificates, purporting to have come thousands of miles, but were evidently executed in Washington, as the ink was hardly dry, and sometimes on telegraphic dispatches. These facts are brought out in the evidence of Sickels, O'Brien, and Holbrook.

The margin for fraud in this violation of regulation for payment for services is so large, and the practice in this instance so utterly without excuse, that we content ourselves with a simple statement of the facts. The practice in this regard has been different under Postmaster-General Jewell.

Fourth. The evidence is presumptively conclusive, in the instance of the Sawyer, Peterson, and Kittle contracts, that in some instances the certificates were absolutely false, in that they certified to service never rendered, and yet, upon these certificates, the claims were allowed and paid. Sickels, in testifying as to the character of the evidence upon which payments were made to Sawyer, states:

Q. What were the doubts which suggested themselves to your mind regarding its truthfulness?—A. I can tell that best by giving you my stand-point. I know that in Texas one contractor had a wonderful influence. I know from correspondence that would drop into my hands. After I got well acquainted with my work I never gave a great deal of credit in my mind to the majority of the reports that came from Texas.

Q. Who was that contractor?—A. It was Mr. Sawyer. I think they thought down there that he ran the Department or had his own way, and they would report a failure, and then the same postmaster would certify afterward that the trips were made—would contradict his former statement, perhaps.

The evidence shows Sawyer to have been a corrupt man, a member of the contractors' ring, and paying out large sums of money for corrupt purposes.

The testimony of Sickels shows that Sawyer was in the habit of manipulating, with the knowledge of the Department, the certificates through

the postmasters upon which payments were made by the Department to him, and the presumption in this connection is strong and irresistible that the certificates covered services that were never really rendered. Again, Hopkins testifies, he being an officer of the Government sent to investigate Kittle, who had a contract over the route from San Antonio to Corpus Christi for services for six times a week, but really rendered service over two-thirds of the route twice weekly, yet by false certificates received full pay called for by his contract. Now, let it be remembered that this man Kittle began as a contractor under Creswell in 1871, and continued until 1875, when his frauds were discovered by Postmaster-General Jewell, and his contracts annulled; and the presumption is that this practice of fraudulent certificates which was discovered at so late a day had been in operation during the greater period of his contract. Again, Sickels in his testimony alleges that Peterson's contracts from New Orleans to the mouth of Red River was carried out through the Kountz Line of steamers, which made only three trips weekly; and yet as the contract called for daily service over this route, there was furnished certificates for daily service purporting to be performed by the Kountz Line, and the money thereon was paid to Peterson. The evidence does not show upon how many other routes and for how long a time Peterson's corrupt practices in the matter of procuring fraudulent certificates extended; but the evidence in these three cases—in that it comes from unimpeached witnesses, comes in a time and under circumstances when it was not solicited or expected—in its suggestiveness is stronger than a direct declaration of the existence of frauds in this form.

A remarkable feature of this part of the investigation is that Mr. Creswell, knowing these men as thoroughly as he did, especially Peterson and Sawyer, neither instituted an investigation into their fraudulent practices, or made any attempt to correct or punish them.

THE ADMINISTRATION OF POSTMASTER GENERAL JEWELL.

This officer manifested a disposition to break up the straw-bid system and to economize in the administration of his Department. He, through Woodard, sought to ascertain the extent of frauds, especially in the Peterson and Kittle contracts, but still allowed the Peterson contracts to expire by limitation, though declared to be fraudulent by Woodard; and Kittle was not only, after being detected in a fraud, permitted to go unpunished, but was paid \$24,000 more than he was entitled to, with the full knowledge of the Postmaster-General, and for a reason that neither stands good in law, nor in common sense, nor in official fidelity. Jewell also discovered the ring inside the Department, in the contract-office, but made no use of it, except to release all the guilty clerks, with Kittle, from punishment, for the purpose, ostensibly, of the prosecution of Hinds, a man who, the district attorney informed him, could not be convicted, and who seems to have become a partner of Kittle subsequent to Kittle's corruption and bribery of clerks. There is no evidence to show that Mr. Jewell had corrupt knowledge of these evil practices currently with their existence, or that he received in any form financial benefit therefrom; but his failure to correct the abuses promptly in the instance of Peterson, and to punish both by fine and otherwise in the instance of Kittle, and the inconsiderate and reckless release from prosecution of the guilty officials in the Department, subject him justly to censure and criticism, as lacking in official competency and vigilance, or as disposed, for political or other reasons,

to prevent an investigation into the condition of his predecessor's administration—such as would have been incident to the prosecution of the guilty clerks. But to particularize in the matter of the Peterson and Kittle contracts, in order to form a correct and fair judgment of the action of the Postmaster-General, it is in evidence that Woodard, assisted by Reeside and O'Brien, at the instance of Postmaster-General Jewell, in the winter and spring of 1875, investigated the Peterson contracts, and reached the conclusion that they were fraudulent, and should be annulled; but at large public costs they were permitted to run until they expired by limitation in July.

Why was not prompt action, as in the Kittle case, taken in this? Why was not an investigation had, so thorough as to reach a reliable estimate of the amount of public money this man had fraudulently appropriated? Why were not measures taken to recover this money, and to punish him for his wrong-doing?

This feature of Mr. Jewell's administration needs explanation that has not yet been supplied. Relative to Kittle, Hopkins, a special officer of the Department, proceeded to Texas to investigate certain alleged violations of the contract then existing between Kittle and the Department, covering the route from San Antonio to Corpus Christi.

It was found that the mail which the contract required to be carried daily between these terminal points was carried some twenty miles daily from each point and return on the route, but the remaining larger portion received the mail only twice a week. False certificates of service done were made by the postmaster at Corpus Christi and intermediate points along the route, excepting San Antonio, not according to the facts, but alleged daily service; and Hopkins further testifies that this state of things had existed some length of time, and before the administration of Mr. Jewell.

He made a report of the facts to the Department, which was supposed to have been stolen, because it did not reach its destination. He duplicated his report on his return, and worked up a case against Kittle, in which the fines and deductions for the whole period amounted to \$26,000.

The Postmaster General dismissed the postmaster at Corpus Christi, annulled Kittle's contract, but withheld only about \$1,900 of his pay—which was the *pro rata* for the last quarter of his contract—leaving still in his hands \$24,000 of the public money, on the ground that the settlements up to that date had been made, and that the Department had no right to go behind that date, even in a fraud like this, through which a robbery had been perpetrated upon the Government by false swearing of the postmasters and the corrupt devices of this man Kittle. Ordinary prudence and the practical judgments that govern men in their transactions with each other would have suggested a thorough investigation to ascertain the amount of the fraud; a prompt withholding of all moneys due until the question of fraud had been determined, and, finally, a civil prosecution on his bonds, or a criminal one, or both—not only as measures to protect the Government, but as an exhibition of authority that should deter others from similar wrong-doing. It was further developed that Kittle had corrupted some of the clerks in the contract-office of the Department. What was done? Contractors and clerks were alike given immunity from criminal prosecution, and the attention and indignation of the Department, in lieu of these acknowledged guilty parties, directed to one Hinds, a lately-made partner of Kittle, who was very distantly, if at all, connected with these fraudulent practices, and who, after a very vigorous prosecution, was acquitted by the jury.

We repeat that the action of Mr. Jewell with reference to Peterson,

Kittle, and the clerks, after a full knowledge of their guilt, is unaccountable, except—after conceding his personal integrity—that the investigation incident to these prosecutions would have laid open to the public view corruptions in office that partisan considerations made it at least desirable to conceal.

THE CONTRACTORS' RING.

The ring of contractors, from the evidence, seems to have embraced men of more or less prominence and experience, and to have numbered from thirty to fifty parties—familiarily known among the clerks as “The Forty Thieves.”

Existing laws on the postal service are so far defective that we may not be able to reach these men in many of the substantial outrages that they perpetrated on the Government and the people; but a body of men, accepted by the community as respectable, recognized by the Department as so far worthy of their confidence and so far reliable as to be intrusted with carrying out the details of one of the most important administrative branches of government—a service that controls the modes of intercommunication between the people of every section; upon which mental development, business transactions, and the comfort and pleasure of the people are so dependent—yet who have taken advantage of their position to establish a system of organized plunder, and, as an auxiliary thereto, have proposed to corrupt that class of our people who hold positions of public trust, and in carrying out their plans have largely debauched a whole Department and community—we deem it our duty to call public attention to these men as a class, for the purpose of directing a corrective, restraining public opinion upon them and the officers sought to be corrupted by them, and to suggest such legislation as will hereafter lead to their prompt prosecution and punishment for wrongs that have heretofore, because of the silence of the law, passed without notice and without retribution.

The general tenor of the testimony shows beyond doubt that they have systematically, by a method of sham or dishonest bids and other corrupt devices, combined to obtain monopolies of the postal service at exorbitant prices; that they have bribed clerks in the contract-office to give such information of the status of the different bids as would enable them to underbid honest, *bona-fide* bidders, so as to control the most valuable routes of mail-service in the directions indicated in the testimony. They further, by the corrupt use of money with officials, by false representation, and by manufactured petitions, have induced the Department to establish service over lines where the public convenience did not require it, and was not subserved by it.

Further, they have induced, corruptly, postmasters to give certificates as to sureties and bonds which are false and illusory; and they have, by corrupt means, obtained certificates for services not rendered, so as to plunder the public Treasury.

Finally, as appears in evidence, in the instance of Barlow and Sawyer notably, they have not only paid out moneys for corrupt purposes and to obtain contracts which the public interests do not require, but have been enabled so far to control efforts to discover, expose, and punish their evil practices as to defeat, as in the instance of 1872, as appears in Barlow's testimony, the ends of an investigation instituted by the honorable House itself.

Bearing on this point, we submit the following extracts. Mr. Barlow says:

By Mr. McMAHON :

Q. Just give us the names and amounts. We will infer the purpose.—A. Well, I paid some money to a man named Farrar.

Q. Please give us his full name.—A. I cannot give his full name. He was a lawyer here.

Q. How much did you pay him?—A. I paid him several thousand dollars.

Q. I think you can remember the amount.—A. I cannot tell you the amount; I kept no account of it.

Q. He was not your lawyer?—A. No, sir.

By the CHAIRMAN :

Q. What did you pay him the money for? Give the history of it.—A. Well, it is quite a long story, and may not be very interesting to you, and it was not very pleasant to me. To begin with, there were the same questions raised there that the special agents of the Post-Office Department raised with reference to the Portland and Oroville contract, that there was no warrant in law for making the contract in the way it was done. These questions were raised before the committee about four years ago, (in 1872, I think,) and we had paid Mr. Carr \$120,000 in coin for the stock on the road, and also about \$25,000 for the other property on the road; and it would be pretty nearly ruinous to us to have the contract annulled, and I did not desire to have the investigation pressed, and those parties were pressing it, and I paid the money to get them to hold off.

* * * * *

Q. Whom did he represent?—A. I do not know whom he did represent. He and his party represented the combinations which were made at the time. I believe that, before the committee, Colonel McKibben assumed the authorship of the articles on the subject under investigation. The report of the committee will tell all about it.

Mr. McMAHON. We are not after the report of the committee; we can get that.

Q. How much money was paid?—A. I cannot tell.

Q. About how much?—A. I think it was quite a large sum.

Q. Over \$5,000?—A. Yes, sir; over \$10,000, and over \$20,000.

Q. Over \$25,000?—A. Yes.

Q. Over \$30,000?—A. Yes.

Q. Was it over \$50,000?—A. No, sir.

Q. Was it over \$40,000?—A. Well, I could not tell you; I never kept a strict account of it.

Q. You just shut your eyes and let it go?—A. Well, I thought it was better.

By the CHAIRMAN :

Q. Please state the amount, then.—A. I cannot. It is impossible for me to tell.

Q. Approximate as nearly as you can.—A. I have done so. I have said it was more than \$30,000 and less than \$50,000.

Q. That is a large margin—\$20,000?—A. It is.

Q. Was it more than \$40,000?—A. I should think that in one way and another it was.

Q. You think it was between \$40,000 and \$50,000, then?—A. I know it was between \$30,000 and \$50,000. It was less than \$50,000. I speak from recollection.

* * * * *

By Mr. McMAHON :

Q. Was it paid all at one time?—A. No, sir; it was not.

Q. So much in hand, and so much on the report of the committee?—A. I cannot explain exactly. It was not a very agreeable subject.

Q. Well, what was the idea—that you were not going to pay out the money without an equivalent?—A. I did not pay it for some time.

Q. Dealing with that sort of men, you would not pay in advance?—A. No, sir; I did not; they trusted me.

Q. The money was paid, then, after the report of the committee was made?—A. I paid them some money along from time to time. I always had money, and when they wanted any I gave it to them, as you do to such men.

Also from testimony of Judge Paschal :

By the CHAIRMAN :

Q. State to the committee whether, in your examination of Mr. Sawyer's papers, you found any other papers, drafts, or memorandum-books that were not before the committee when you were last examined.

[The witness produced a memorandum-book.]

A. This memorandum-book was handed to me by Mr. Taylor. Mr. Taylor, in looking over the book, happened to take it up, and brought it to me. It shows some of the running expenses, traveling-expenses, and other things.

Q. Is that Mr. Sawyer's handwriting?—A. Yes, sir; they are rough notes of run-

ning accounts which he kept. I see here "November," which seems to be November, 1872. Judging by the dates, I should say that in the past June this entry was made: "Paid attorneys, mails, \$10,000." On the same page, which would carry it into the next year, 25th February, for the same kind of service, "attorneys, \$8,000." It is next to the last of the page, on the right-hand side. Then there is an entry here which is a blind account. It is as follows:

Amount paid sharks on account of contract after 1st July:

Wm. H. Farrar, paid by L	\$20,000
Captain Hinds, paid by L	7,500
Mrs. Stuart, paid by L	2,000
August. Paid Colonel Bell	150
Wolverton	2,000
Phips	3,000
Williamson	2,000
Sept. D. A. F	2,000
Oct. B. & Co	2,000
Oct. Wm. H. Farrar	4,000

Also, from the testimony of Francis C. Taylor, the partner of Sawyer:

By Mr. McMAHON:

Q. What amount of those expenses were not put upon the books?—A. All the parties interested, I think, were in Austin, Tex., having a sort of general settlement, in November, 1872. I had been engaged for some time in trying to finish up the business between Ben Ficklin and Sawyer for the administrator, and Sawyer came on there during the time. Slaughter Ficklin had been there all the time. Sawyer brought with him his account for some \$30,000 or \$40,000 paid Abbott for coaches, for which he took credit, and which was divided between the different divisions. There were four divisions of staging, and all the parties were there. Sawyer had accounts against my division, and, I think, against all the others. After having various accounts put on the books of the several divisions, Sawyer said, "Here I have an account," amounting to considerable—as well as I now remember, from \$50,000 to \$60,000—and he said, "All the divisions will have to pay their proportion of this." It was a memorandum showing that amount.

Q. This November settlement or charging up of all the different accounts?—A. Yes, sir.

Q. And the \$50,000 or \$60,000 that was there brought in without vouchers, and which had not previously been entered upon the books, is a separate and distinct item from the \$200,000 that you said had been previously entered upon the books?—A. Yes, sir; that amount of \$200,000 was on a settlement between Ben Ficklin and Sawyer. This other amount of \$50,000 or \$60,000, I forget which, was for the year from July, 1871, to July, 1872, and was to be divided among the different firms then in existence; and, as Sawyer said, when it was presented, "Here is an account of money that I have expended in Washington, that must be divided between the different companies." I don't think Wright objected. I think Scott said a little, and Slaughter Ficklin said considerable, and intimated that such black-mailing operations should not be paid, or something of that kind.

By the CHAIRMAN:

Q. There were no names on the paper indicating to whom it had been paid?—A. No, sir; I am satisfied of that. I remember that there were two items of \$10,000 or one of \$20,000, I am not positive which, and which Sawyer stated or admitted that he had paid to the same party.

Taking the three men, members of the ring, as types of their class and their methods—dividing as they did the territory among them—there was some variety in the system they adopted to compass their ends, to wit, exclusive and comprehensive contracts in their assigned territory. Kittle's method, after putting in a *bona-fide* bid at big figures for himself, was to corrupt the clerks in the Department so as to find out the lowest bidder, and then put in a series of "straw-bids," which he could control, through which, by temporary service or a new advertisement, he would control the contract.

Peterson's method, who operated on the western rivers south of Saint Louis, was to make a corrupt combination by which he could con-

trol all the lines of transportation, thus preventing competition, this control being obtained by representations of intimacy and influence with Creswell and Smith, and in its turn used on Creswell and Smith to get a monopoly of the contracts in his own name, and subsequently, he without money or outfit, to sublet said contracts so as to net one-third or one-half of the gross amount for which they were let.

Barlow and Huntley's plan—for they acted really together, though sometimes separately—was to use the subordinates and agents in their employ, including even the women of their families, to put in straw-bids on a gradually ascending scale, and generally be able to control the contract on most desirable terms; and in the event of an independent bidder intervening between the sham and the highest bid, they held themselves in readiness to buy out the independent bidder for a bonus, and thus bring the contract up to the most extravagant figures.

As illustration of the first, the De Lacy contract, on the Kelton, Utah, to Dalles, Oregon; and, as illustration of the latter, the purchase of Governor Thompson, of Idaho, bid, on the same route, which latter purchase enabled Barlow to withdraw Thompson's bid and obtain the contract at an advance of \$10,000.

In conclusion, your committee would say, as the result of this investigation, they have prepared a bill embracing their ideas of the modifications demanded in the interest of the Government and the public in the postal laws, which bill has passed both houses and awaits the signature of the President.

Further, your committee suggests, as a conclusion authorized by the facts elicited by this investigation, that the violations of law, the extravagance of expenditures, and the general negligence in the supervision of the affairs of the Department, and the failure either to expose or prosecute the violations of law during the administration of Postmaster-General Creswell, should subject him to the censure of the House.

JOHN B. CLARK, JR.
A. M. WADDELL.
J. K. LUTTRELL.
L. L. AINSWORTH.
W. T. SLEMONS.
J. A. McMAHON.

Mr. J. G. CANNON, from the Committee on the Post-Office and Post-Roads, submitted the following as the

VIEWS OF THE MINORITY:

Under the resolution of the House, known as the Morrison resolution, adopted January 14, 1876, the Committee on the Post-Office and Post-Roads assumed the task of making an investigation into the conduct and management of the Post-Office Department since 1868. In the course of their protracted labors the committee have given much attention to the transportation of the mails and the letting of contracts, and have made a particular inquiry into the frauds which, it is alleged, have been perpetrated by means of straw-bids.

The democratic majority having at length agreed upon a report which the minority deem grossly unjust to some of the officers of the Department, and in direct conflict, on many points, with the testimony submitted, the undersigned are obliged to avail themselves of their right to present their dissenting views.

The evidence taken by the committee, such as it is, covers nearly one thousand closely-printed pages. From its great length, it is impossible, within the limits of this report, to submit even an intelligible analysis of the facts as presented by the record and the multitude of witnesses. We have, however, arrived without difficulty at the conclusion that in this, as in all former investigations, the testimony itself furnishes the most complete and satisfactory vindication of the Department and its management; and in that belief we confidently commend to all who seek the real truth of the whole matter a careful perusal of the entire volume.

Since the first inauguration of President Grant there have been already three investigations into post-office affairs by the Committee on the Post-Office and Post-Roads, of each of which an elaborate report has been made to the House.

The first investigation was set on foot in 1872, by the Forty-second Congress, at the request of the then Postmaster-General himself, and resulted in a triumphant vindication of the Department. (The report of the committee, both majority and minority, can be found in volume Reports of Committees, second session Forty-second Congress, No. 38.)

The second investigation was held by the same committee, at the first session of the Forty-third Congress, upon charges preferred by Hon. William M. Stone, then and now a member of Congress. (See Report No. 775, 1st session 43d Congress.) The report not only discusses the law in reference to postal contracts and the legislation proposed to the House to remedy certain of its defects, so as to prevent straw-bidding, but goes into a careful consideration of all the charges against the Department and its late chief, Hon. John A. J. Creswell, and vindicates him in every particular. The honorable gentleman now at the head of the Committee on Appropriations (Mr. Randall) and his colleague on that committee, (Mr. Atkins,) both able and vigilant, and both intense partisans, were members of the committee, and both of them concurred in the finding of facts as reported by the committee.

The next investigation was upon charges presented at the same session of Congress, covering substantially the same matters, by the gen-

tleman from California, (Mr. Luttrell,) then and now a member of Congress, and at this time a member of the Committee on the Post-Office and Post-Roads. The unanimous report of the committee (see report No. 783, 1st session 43d Congress) finds, among other things, that the charges against the Post-Office Department were not true, and states that the honorable gentleman from California (Mr. Luttrell) himself, pending the investigation instituted on his own motion, became so well satisfied as to the integrity of the Postmaster-General that he admitted "that he believed the Postmaster-General (Mr. Creswell) has been and is doing all he can to break up and punish straw-bidding, and that he is an efficient and vigilant officer."

So it will be seen that no Department of the Government has been so exhaustively investigated as the Post-Office Department, and that no Department has been so thoroughly vindicated for integrity, vigilance, and efficiency. This appears not only from the public records of the Department and of Congress, but also from the admissions of the honorable gentleman from California (Mr. Luttrell,) and the report of the honorable gentleman from Pennsylvania (Mr. Randall) and his democratic colleague on the committee, (Mr. Atkins.) Yet, in the light of all these facts, the present Committee on the Post-Office and Post-Roads, under the Morrison resolution, felt impelled to make still another investigation of the same matters that had been thrice traveled over before, and not only that, but to investigate the former investigations themselves.

The fourth investigation commenced, with an unbridled commission and with plenary powers, on the 31st of January last. The committee worked industriously from that time until about the 1st of June last, when the investigation substantially ceased. Witnesses have been brought from the Atlantic and the Pacific, from the Lakes and the Gulf, to testify, at great trouble and loss of time and money. The realms of hearsay-evidence, suspicion, and conjecture, frequently under the lead of malice and hatred arising from disappointment or fancied wrong, have been explored to find something that would connect the Post-Office Department with some fraudulent or improper action; but in vain, for the evidence, when all in, shows conclusively that the Department, under Mr. Creswell and Governor Jewell, with the exception of four or five clerks who were detected in fraud by the Postmaster-General over a year ago and promptly dismissed, has been conducted with efficiency, vigilance, honesty, and economy; and that, in so far as the investigation may have been carried on to vindicate the honorable gentleman from Pennsylvania (Mr. Randall) and the honorable gentleman (Mr. Atkins) from Tennessee, in their report of 1874, before referred to, it is a complete success.

But as the committee saw proper to investigate the investigations and travel over the thrice-trodden ground, it is proper that we should review the manner in which this investigation has been conducted, and refer to such new facts as may have been developed touching the former investigations, and especially to the evidence showing up the agencies by which they were brought about, and the persons who instigated them and profited by them.

First, the manner of the present investigation.

The action of the Post-Office Department as to all of its business is matter of record in the Department. For instance, the advertisements for service, the bids, their acceptance, the failure of bidders to enter into contract, the awarding of contracts, the contracts themselves, the orders increasing the service or changing the schedule-time or cutting down

the number of trips, and the recommendations or proofs in support of such orders, with the proofs upon which fines or forfeitures are made or remitted—in fact, everything which forms a basis for action, as well as the action taken thereon, are all a part of the record in the Department.

And when we recollect that nearly \$30,000,000 per annum are collected as revenue and \$35,000,000 per annum spent by this Department, with its 300,000 miles of post-routes and its complicated service reaching over our extended territory and across every ocean and sea to every civilized nation of the earth, it will be seen at once that the only safety to the Department or the people is to have all the evidence touching all action had or proposed in black and white, and filed as of record among the archives of the Department, so that “a wayfaring man, though a fool,” if he wanted to fairly investigate and determine whether the action of the Department was right and proper, or otherwise, would first find from the record what the action of the Department had been and the proofs upon which it was based; and, if then it should be alleged that wrongful action could be established outside the record, such proof could be elicited and tested intelligently. This is especially important where the law is changed from session to session, so that frequently lawful and proper action one year would, under different law, be very improper another year.

But, strange to say, the committee did not, and would not, proceed in this way, but, on the contrary, refused to so proceed. Against all manner of protests and objections, they plunged at once into the examination of witnesses who were swift to testify as to such imperfect knowledge of the record as they by hearsay or suspicion might have. In the mean time their partial, imperfect, and frequently willfully untrue statements, with their hearsay and suspicion that were afterward contradicted beyond question by the record and by facts outside the record, were day by day telegraphed to a partisan press all over the country as truth, established by proof as strong as holy writ, and claimed to be evidence of the frauds, committed under the rule of this corrupt republican party, which demanded an administration in the interest of reform by the white-robed democracy.

The principal witnesses upon which the superstructure of the investigation was reared—in other words, the corner-stones of the edifice—were men who had been in the employment of the Post-Office Department, and who had been discharged for incompetency, fraud, venality, or improper practices. For example, to take one from the lot who was most reckless and sweeping in his statements, E. F. O'Brien. He makes no declaration against the Department as being within his own knowledge which is not conclusively disproved. In the main, however, his evidence is mere hearsay and suspicion, and was purposely given with such looseness as to time, place, and persons that it could not be met by contradictory proof. Upon his cross-examination, with brazen effrontery, he gloats over his own infamy. By innuendo and indirection, by mere opinion and suspicion, he accuses Mr. French, chief clerk; Mr. Lake, chief of inspection division; Mr. Creswell, Ex-Postmaster-General; Colonel Routt, former Second Assistant Postmaster-General; and Mr. Tyner, present Postmaster-General, all with corruption, favoritism, or venality. In fact, his whole evidence is a tissue of misrepresentations and false conclusions. As an example of the make-up of this witness, we quote from his evidence on pages 140 and 141:

By Mr. CANNON:

Q. You spoke of Mr. Lake, chief of the inspection division; how long have you known him?—A. Something like three years.

Q. You were in his division yourself for about three years?—A. No; he was only promoted to the chief of division some eighteen months or possibly two years ago.

Q. You were a clerk with him in the inspection division prior to that time?—A. He was clerk in charge of the Ohio division.

Q. You were in the office something like a year after he was promoted?—A. Yes, sir; perhaps a little longer; I do not remember the exact date of his promotion.

Q. Did you ever have a difficulty with him?—A. No, indeed; I never had any difficulty with any of the clerks.

Q. Was there any hard feeling existing between you and him?—A. Not that I am aware of.

Q. You are good friends, are you?—A. As good friends as men ordinarily are who are moving in the same circle of life.

Q. You never had any cause of quarrel?—A. No; the man never did me any harm that I know of.

Q. Be kind enough to particularize any improper action you may know upon his part in relation to his official duties.—A. I do not know that I could particularize any very particular thing that would reflect any discredit upon Mr. Lake, except, perhaps, the assumption of a little more authority at times than he was entitled to—a kind of overbearing manner.

Q. It was the manner in which he combed his hair and regulated his actions?—A. No, sir; not in any way or shape; but merely in transacting the business of the office. He had a kind of brusque manner that showed that promotion had rather spoiled him. Sometimes I have seen men promoted from private to corporal who thought they would make better major-generals than corporals. So it was with him; he was promoted from \$1,200 to \$1,400, and when he got to be an eighteen hundred dollar clerk he thought the whole Post-Office Department was on his shoulders.

Q. That is all you know or can say against him?—A. I am just speaking about that. As far as regards his doing anything out of the way or illegal, nobody would have a chance to discover it in his room, because his room is a private room, and the clerks did not go in there, but the contractors did; that is all there is about it. The clerks who did go in attended to their business and did not associate with or sit down and talk with him; so it would be impossible to put your finger on any one thing beyond the shadow of a doubt and say that he had done something wrong.

Q. If you know beyond the shadow of a doubt that he has done something wrong, give us the evidence.—A. I tell you that unless a man did know—

Q. Then why do you say that of him?—A. I do not.

Q. Why do you intimate it?—A. I did not intimate that he has done something wrong; you cannot find that in my testimony.

Q. If you have said that, you now take it back?—A. If I have intimated that he has done anything wrong, I stand by the record.

Q. Do you now intimate that he has done anything wrong?—A. No; I do not; neither have I.

Q. If the record says that you have so intimated, you stand by it?—A. That is what I said.

Q. You still say now that you do not know where he has done anything wrong?—A. I say I cannot say beyond the shadow of a doubt; everything is circumstantial evidence, as a matter of course; we were not spies watching him and trying to catch him or any of the clerks.

Q. You supposed he had an opportunity to do wrong?—A. I know he had an opportunity.

Q. Do you suppose he did?—A. I don't suppose anything of the kind.

Q. I am asking for evidence of the wrong he did.—A. I have already told you that I had no evidence of his doing anything wrong; I am only speaking of what a man might do.

Q. You only considered what he would do?—A. I don't know. I have had a great deal of experience among criminals, and I am rather suspicious of every man.

Q. You have not much confidence in human nature?—A. I have not.

Q. Your idea is that all men are thieves, and you have but to give them an opportunity?—A. I think that every man has his price, if he but gets enough.

Q. You measure human nature in that way, and for that reason you thought Mr. Lake, having an opportunity to do wrong in coming in contact with these men, he would improve that opportunity?—A. I was speaking, sir, in the general term—

Q. I am speaking in particular terms; do you include yourself when you say every man has his price?—A. Most certainly I do.

The place held by O'Brien was that of inspection-clerk in the Second Assistant Postmaster-General's Office, his duty being to examine the certificates of postmasters at the termini of mail-routes, as to performance or failure of service by contractors. A dishonest clerk in a place of that kind can, by certifying to full service when the proofs show there

should be a deduction, swindle the Government. With this explanation, we give an extract from his evidence, on page 148, in reference to the service on route 9603, from Evansville to Cairo:

By Mr. CANNON:

Q. I want to call your attention to the verbal order which Colonel Routt gave you to certify to the performance of service on the Evansville and Cairo route, and get you to fix as near as you can the time of that conversation.—A. That I cannot tell.

Q. Can you fix the year?—A. Eighteen hundred and seventy-two or eighteen hundred and seventy-three; I really would not undertake to specify which.

Q. Did you ever have more than one conversation with him on that subject?—A. I do not remember. I only know of one.

Q. And that was the time Mr. Sweetser, Mr. Theodore McPherson, and Mr. French were present?—A. So far as my memory serves me, that was so.

Q. It related to this account business which you were making up at that time?—A. Yes; and to some other accounts.

Q. Had you made any fines and deductions on that route at that time?—A. Yes; on all those routes.

Q. I am speaking of this route now.—A. It is a very hard thing for me to separate that particular route from any other, because it was in the general routine, and, as a matter of course, I have not the date.

Q. When did the service commence on this route by the company of which Mr. Sweetser was secretary?—A. Before I went into the Post-Office Department.

Q. Did he at that time give you instructions in the future to certify the performance of the service by that company, without reference to the registers?—A. —I do not know that he did. He may have; I do not remember.

Q. You swear that you do not remember whether he told you not only to certify to the performance of service at that time, but also to certify in the future that the service had been performed on that route by the company of which Mr. Sweetser was secretary, without reference to the register?—A. I do not think there would be an order like that given.

Q. If the case had been made up at the time Colonel Routt told you to certify according to the register, do you remember what the amount of fines and deductions would have been?—A. No; I do not.

Q. I will ask you if it is true that for the quarter ending March 31, 1873, on the Evansville and Cairo route, (at that time No. 9603,) according to the registers returned by the postmasters, the fines and deductions should have been \$1,298.16?—A. I have no recollection of it.

Q. Was that the quarter that Mr. Routt directed you to certify to without reference to the registers on file?—A. I cannot tell without reference to the books. The record will show.

Q. Is it true that you did certify for that quarter that the service had been performed in full?—A. That you will have to go to the books for.

Q. Were you not in charge of the desk at that time?—A. I may have been, and I may have been absent.

Q. I will ask you if it is true that for the quarter ending June 30, 1873, by the registers and proof on file, the deductions and fines should have been \$24.04, and that nevertheless you certified that the service had been performed in full?—A. I cannot answer those questions without reference to the books.

Q. I will ask you whether it is true that for the quarter ending December 31, 1873, by the registers and proof on file, the fines and deductions should have been \$96.16, and that you certified that the service had been performed in full?—A. That I cannot answer.

Q. I will ask you whether it is true that for the quarter ending March 31, 1874, by the registers and proof on file, the deductions should have been \$24.04, and that still you certified to its performance?—A. It is very probable that I did.

Q. I will now ask you whether it is true that for the quarter ending June 30, 1874, by the registers returned, the deductions and fines should have been \$144.24, and notwithstanding you certified that the service had been performed on that route in full?—A. I do not think there should have been any deductions that quarter, but it is impossible for me to say.

Q. I will ask you whether it is true that for the quarter ending September 30, 1874, by the registers on file, the deductions should have been \$144.24, and yet you certified that the service had been performed in full?—A. I certified to that service.

Q. I will ask you again whether it is true that for the quarter ending September 30, 1874, by the registers and proof on file, the deductions and fines should have been \$144.24, and yet you certified that the service had been performed in full?—A. No; it is not true, because the proof of there being sufficient excuses ought to be on file.

Q. Was it on file?—A. It was.

Q. I will ask you again, is it not true that, though the registers and proofs on file

showed that for the quarter ending September 30, 1874, the deductions and fines should have been \$144.24, in the teeth of the proof you certified that the service had been performed in full?—A. To enable you to pass on that question, I will say yes.

Q. Colonel Routt ordered you to do that?—A. I do not remember.

Q. Who did order you?—A. I do not know anything about it.

Q. I will ask you if it is true that for the quarter ending December 31, 1874, though the registers and proofs showed that the fines and deductions should have been \$576.96, you nevertheless certified that the service had been performed in full?—A. Probably I did.

Q. Did Colonel Routt instruct you to do so?—A. I do not remember.

Q. Who did?—A. I do not know that anybody did.

But to remove all room for doubt, Samuel M. Lake, chief of the inspection division, Post-Office Department, on pages 552–554, shows, by producing the records of the Department, that O'Brien for a great number of quarters deliberately swindled the Government, by certifying to full service on the Evansville and Cairo route, out of thousands of dollars, when the proof showed, quarter after quarter, that the service was not full. Yet the suspicions of this witness, who had been forced out of the Department long before this investigation for his fraudulent practices and downright swindling, given under the influence of hate and malice against those who had detected and exposed him, were telegraphed, day by day, all over the country, and heralded in a partisan press as conclusive evidence of the fraud and corruption of officials high in authority and position.

Another witness is one Theodore L. Holbrook, also an ex-employé in the Post-Office Department, whose resignation was demanded by Governor Jewell. He, too, suspects many things, and by the introduction of his suspicions, grounded on hearsay, seeks to blacken and smirch many persons connected with the Department, when, on eliciting the truth, the truth does not smirch anybody. For example, this witness, while a clerk in the Department, claims to be cognizant of many irregularities and frauds, and, instead of reporting them, if they existed, to his superior officers in the Department, or giving them to the public, and assuming the responsibility therefor, he makes his statement privately to Hon. Messrs. Stone, of Missouri, and Luttrell, of California, then members of Congress, for the purpose of instigating them to prefer charges against the Department and set on foot investigations.

As a specimen of the animus of Holbrook, and to show how little reliance is to be placed upon the character of testimony given by him, we refer to an affidavit that he made in 1874 to cause the charges to be preferred by Stone and Luttrell. Although the affidavit in full was not made public as coming from him until during the present investigation, its statements have been telegraphed time and again all over the country as evidence of the frauds existing in the Department. The affidavit is as follows, and is to be found in Holbrook's evidence on page 110, with the comments of Holbrook concerning it:

DISTRICT OF COLUMBIA,

City of Washington, ss:

On this the 16th day of May, 1874, personally appeared before me Theodore L. Holbrook, who, being by me duly sworn, deposes and says: That he is a fourth-class clerk in the money-order bureau of the Post-Office Department, receiving a salary of \$1,800 per annum, and that on the 5th day of February, 1874, J. B. Underwood, a special agent of the Post-Office Department, whose headquarters are at Eugene City, Oreg., made the following statement to him in room 57 of the Post-Office Department, in the presence of J. H. Whitaker, a third-class clerk in the money-order bureau of the Post-Office Department, namely, that he (Underwood) had inspected the mail-service on route No. 15414, from Missoula, Mont., to Walla Walla, Wash., and had reported to the Post-Office Department that the service was unnecessary, and that in consequence of such report the service was reduced, but was afterward restored; that his (Underwood's) pay was reduced, and that he came near being removed, since which time he

had minded his own business. He also stated that Charles Moore, late postmaster at Walla Walla, Wash., was one of the best postmasters in the Territory; but that he kept a record of all the letters that passed over route No. 15414 from or to his office for six months, and reported to the Department that the service was unnecessary, and that it cost the Department at or near the rate of a thousand dollars for every letter carried over the said route. That the service on the route was continued; that the said Charles Moore was removed from office, and one James M. Gorman, the agent of the contractors upon said route, was appointed postmaster in his place; that the people of Walla Walla made such a fuss that the said Gorman did not take the office.

The deponent further says that from the records of the Post-Office Department he has taken the following statement, namely:

Route No. 15414 was let in March, 1870, under advertisement of September 30, 1869, for once-a-week service to L. L. Blake for \$15,100 per annum; (failed to contract.)	
Contract for once-a-week service, made with C. C. Huntley, at.....	\$22, 900
July 29, 1870, one additional trip, ordered on side supply	2, 022
August 23, 1870, service extended on side supply to Gird's Creek, forty-five miles, increasing pay	4, 550
December 22, 1870, two additional trips ordered between Missoula and Walla Walla, increasing pay	41 754
Pay per annum	71, 226

[Also shown by Executive Document No. 322, Forty-second Congress, second session, page 621.]

Advertised in 1873 as route 43127, three times a week, mail.

Charles Moore appointed postmaster Walla Walla, Washington, March 17, 1869. Re-appointed (office made presidential) July 13, 1870.

James M. Gorman appointed postmaster Walla Walla, January 29, 1873; (failed to bond.)

Samuel D. Smith appointed postmaster Walla Walla, March 18, 1873.

THEODORE L. HOLBROOK.

WASHINGTON COUNTY,
District of Columbia:

On this 16th day of May, in the year of our Lord 1874, personally appeared before the subscriber, a justice of the peace in and for the county and district aforesaid, Theodore L. Holbrook, who made oath on the Holy Evangelry of Almighty God that his signature to the paper immediately above is his own act and deed, and that the contents of that paper are true to the best of his knowledge and belief.

[SEAL.]

JAMES LAWRENSON,
Justice of the Peace.

Now, the object of the affidavit and its introduction as evidence, and of its being hawked about the halls of Congress, and of its statements being published by the democratic partisan press all over the country, is patent.

It will also be noticed that the damaging matter in the affidavit is hearsay in the second degree; that is, Holbrook heard Underwood say what he, Underwood, said he heard Moore say. Now, let us see what the testimony shows the fact to be about the increase of service upon this route, the amount of service performed thereon, and the removal of Moore, the postmaster at Walla Walla. Huntley, the contractor for carrying the mails, testifies that the route was an important one and carried a large mail, he having personal knowledge of it. It is true that Postmaster-General Creswell, when he was appointed in 1869, (see page 589,) found this route in operation, with tri-weekly service, at \$65,000 per annum, and that he cut down the service to one trip a week, decreasing the pay \$42,000 per annum, on September 25, 1869; but it is also true that the almost universal demand of citizens of the Territory and the recommendations of every public officer in the Territory, as well as of Senator Williams, of Oregon, made out so strong a case that the Postmaster-General felt it to be his duty to restore the service to the condition in which he found it; and no sane man can read the record shown in the testimony on pages 588, 589, 591-593, without saying that the Postmaster-General was not only justified in restoring the service, but would have been justly censurable if he had refused to do so.

Again, it appears on pages 593-595, and in the same connection, that Moore was removed as postmaster at Walla Walla, not for any recommendations he made in favor of discontinuing the service, but upon charges and proofs of grave misconduct in office, and that he had a full hearing before the Postmaster-General in person; and after his removal he wrote a letter to the Postmaster-General, which is on the files of the Department, and in evidence to be found on page 594, under date November 5, 1873, in which he in effect admits that the Postmaster-General, on the case as presented to him, and the hearing when he was present, was justified in removing him. And while it is true that one James M. Gorman, agent for the contractors, was appointed postmaster at Walla Walla in place of Moore, removed, yet it appears that as soon as the knowledge of that fact came to the Postmaster-General he reported the same to the President (page 595) and asked his removal, which was had, and another man appointed, against whom no objection was urged.

The testimony subsequently shows that Gorman never did qualify or take charge of the office. On the same pages it also appears from the record that the contract was let to Huntley, strictly according to law, and that if the Postmaster-General had refused to let it to him, he would have acted in violation of law and been open to censure. Yet while this slander has been dispatched on the wings of lightning to all points of the compass, to be again fulminated by the democratic press, the truth of the matter has not been given by a single paper in the whole country.

What can be said sufficiently strong in condemnation of a man who, as an old employé, had easy access to the records of the Department containing all these facts, and who, in order to make the affidavit, must have at least partially examined the records, yet makes an affidavit like this; has it hawked about the halls of Congress for the purpose of smirching his superiors in office, and finally gets it into his evidence in this investigation; when he must have known that its statements, instead of making a truthful impression, tended only to obscure the truth and make the parties to whom it was exhibited, and the country, believe a falsehood?

Yet this man Holbrook, who, after O'Brien, is the most important witness in this investigation, after he had been compelled to resign by Postmaster-General Jewell, is at the commencement of this Congress made clerk of the Committee on Expenditures in the Post-Office Department, Hon. Mr. Stone, of Missouri, being the chairman of said committee—the same gentleman to whom this affidavit was exhibited in the Forty-third Congress. This appointment, however, appears to be in the line of precedent; for one Ford, who was compelled to quit a clerkship in the Department by Postmaster-General Jewell, for complicity in the Kittle frauds, over a year ago, is honored by the position of Deputy Sergeant-at-Arms of the House, under appointment from the present democratic Sergeant-at-Arms, and in fine style serves the process of the House in this investigation upon the witnesses. So it looks as if the surest passport to position and honor under the present House, in some of these smaller places, is to be guilty of fraud or misconduct under republican appointment, to be forced out of office, and to tender service to the democratic majority to smirch somebody, by any means, however questionable. With these prerequisites, a position of some kind is at once provided for the candidate. And we submit that the offering of these appointments to such characters, as a consideration for testimony against the administration of the Department in which they

were formerly employed, is not calculated to inspire confidence in evidence so induced.

We now come to speak of the *res gestæ* surrounding the investigation of 1872, as shown by the evidence taken during this investigation. And let us inquire by whom and for what purpose the investigation of 1872 was brought about; what means were used to bring it about; and what public good was accomplished by it; and what private ends were served.

This investigation was held during the Forty-second Congress, the Hon. J. F. Farnsworth then being chairman of the Committee on the Post-Office and Post-Roads, and the gentleman from Pennsylvania (Mr. Randall) being a member of the committee. We have no knowledge of this investigation except as we get it from the report of the committee, both majority and minority, in the Congressional Record, and the evidence taken during the investigation at the present session of Congress; but we have examined the proceedings of that committee with great care, as well as the action of the House and Senate touching the same, and we append a complete history thereof as it appears of record, including the reports, marked "Exhibit A." We also append a complete history of the two investigations, marked "Exhibit B," made during the first session of the Forty-third Congress, showing the reports of the committee and the action of the House and Senate, in full, touching legislation proposed by the committee.

We purpose now, however, to speak of the evidence taken during the present session by the committee.

The evidence shows that Bradley, Barlow & Co., at the lettings made in the year 1871, under the law, obtained the contracts for carrying the mails on the Oroville and Portland route, the Mesilla and San Diego route, and several other routes in the Territories and on the Pacific; that most of these routes to a great extent passed through an unsettled country, reaching from one settlement to another of pioneers and miners, as they had with accustomed American energy launched out into the great West; and that stations were to build, roads to construct, and Indians to fight and guard against, demanding an outlay of over half a million of dollars from this company alone in that kind of property that was almost wholly worthless for any other purpose than for service upon these routes; and that in this new country there was only business enough in transportation of passengers and freight, with the mail service added, to justify one line of coaches upon all of these routes, and that no company could run these coaches without the mail contract, nor could any company do the mail service without coupling with it the transportation of passengers and freight. It took the profits of both to sustain the service, as testified to by all the witnesses.

The regulation of the Department, based upon the law, (page 194, section 263, Postal Code,) is as follows:

SEC. 263. The Postmaster-General may order an increase or extension of service on a route, by allowing therefor a *pro rata* increase on the contract pay. He may change schedules of departures and arrivals in all cases, and particularly to make them conform to connections with railroads, without increase of pay, providing the running time be not abridged. He may also order an increase of speed, allowing within the restrictions of the law a *pro rata* increase of pay for the additional stock of carriers, if any. The contractor may, however, in the case of increase of speed, relinquish the contract by giving prompt notice to the Department that he prefers doing so to carrying the order into effect. The Postmaster-General may also discontinue or curtail the service, in whole or in part, in order to place on the route a greater degree of service, or whenever the public interests, in his judgment, shall require such discontinuance or curtailment for any other cause; he allowing as a full indemnity to the contractor one month's extra pay on the amount of service dispensed with, and a *pro rata* compensation for the amount of service retained and continued.

It will be readily conceded that while the authority to curtail or discontinue the mail-service under any contract is necessary for the protection of Government, yet it is a great power given to the Postmaster-General, and, if exercised with caprice or without sufficient cause, would necessarily, after such large amounts of money are expended in stocking one of these long and difficult mail-routes, ruin the contractor financially, and render his property comparatively worthless. Perhaps the greatest danger that a mail-contractor in the western service has to apprehend is the curtailment or discontinuance of his service after he has made the outlay necessary to perform it, and before he has received any considerable return therefor. Not that there is any great danger of a Postmaster-General arbitrarily and wrongfully exercising such power upon his own motion; but, as the service is necessarily distant from the Department, and rival interests are always upon the alert to gain some advantage, fair or unfair, by making war upon any service that may be established, designing men, for the purpose of levying black-mail upon a contractor thus situated, may seek to manufacture a public opinion by the help of the venal or strongly partisan portion of the press, and thus cause the Postmaster-General to curtail or cancel such contracts, or so affect the House or Senate that a resolution may be passed directing the Postmaster-General to curtail or cancel them. It will be seen at once that persons having investments in property in the kind of service spoken of do not repose upon downy beds of ease.

This was the condition of affairs as to Barlow & Co. with their western contracts, Sawyer & Co. with their Texas contracts, and the Huntleys with their northwestern contracts, as well as with many other mail-contractors, in the winter of 1871 and 1872, the contracts having been made in 1870 and 1871. The testimony of Col. J. C. McKibben, Barlow, Judge Paschal, and others, also shows that at the lettings of 1871, McKibben and Lockwood were bidders upon a number of routes in the State of Texas for the transportation of the mails, but, not being the lowest bidders, did not get the contracts. McKibben was formerly a member of Congress from the State of California—a man of fine ability and presence, a zealous member of the democratic party, in good standing, and, by his own statement, without money, “not worth a dollar in the world,” out of business, and no doubt, speaking from a financial stand-point, desperate.

At this same letting a large amount of straw-bidding had been done, and contracts let to the lowest bidders had been commenced and then thrown up, or not commenced at all, so that between the failure of the contractor and a re-advertisement temporary service would have to be let to any person the Department could get to do the service. On the routes above spoken of no one could do immediate service except the former contractor, who had the stock upon the routes and owned the stations, and he could for such service exact his own price, not, however, exceeding the former contract-price under regular lettings. When the Department would re-advertise frequently the same same thing would be gone through with again in spite of the best efforts of the Postmaster-General, who was tied down in his action by positive law, Congress having failed to give the necessary remedial legislation.

With the law but imperfectly understood by the country, and for that matter, with Congress but imperfectly realizing the defects in the law; with desperate and unscrupulous adventurers resorting to straw-bidding for the purpose of compelling those who were bidders in good faith to give them a bonus, their straw-bids costing nothing; with the regular contractors countermining by purchasing these bids, and procuring

others to put in bids for them, and not in the names of the contractors, for the purpose of checkmating straw-bidders or so handling their bids under the law as in the end to get the service either temporarily or permanently at a large figure, a fine field was opened to unscrupulous contractors to impose upon the Government, and in turn a fine field was opened to this soldier of fortune to enlist a partisan press and the partisan democratic minority of the House of Representatives of the Forty-second Congress in a war upon the contractors for mail-service and upon the Postmaster-General. McKibben's object, as he states himself in substance on page 427, was not to promote the public good, but to better his condition, while, of course, the object of democratic members, with whom he consulted and worked, was no doubt to make political capital by discrediting and, if possible, dishonoring the Postmaster-General.

The first thing McKibben did, as he himself testifies, and for that matter as fully appears from facts and circumstances outside the evidence of McKibben, was to enter into a combination with Lockwood and W. H. Farrar (for the purpose of bettering the condition of the three) to make war on the Department and the contractors. The war was opened in December, 1871, by several articles in the papers, written by McKibben, in effect accusing the Postmaster-General of favoritism and unfair, if not fraudulent, action in letting these contracts to Barlow & Co., to Sawyer, Peterson, and others, and calling for an investigation by Congress. At the same time McKibben, as he testifies, was in frequent communication with democratic members of Congress, urging upon them to offer resolutions for investigation, and sometimes resolutions were offered, but, under objection, failed. Meantime Lockwood, as shown by the evidence, was professing to play the part of a disinterested friend with Barlow, representing to him that a formidable combination was formed, the object of which was to make war on him and curtail or discontinue his contracts, either by creating a public opinion that would force the Postmaster-General to cut off his contracts, or, at the end of an investigation, procure the passage of a resolution by the House of Representatives directing his contracts to be canceled, and urging him to stop the war that was being made upon him by payment of money. Barlow, however, as the testimony shows, from time to time, refused to "come down."

Finally, on the 8th day of January, McKibben caused to be published in the Washington Patriot an article in which he attacked the Postmaster-General, Barlow, Sawyer, and others, at great length and with great bitterness, and called for an investigation by Congress; which article was published generally throughout the country, and has been at various times since substantially republished, furnishing the basis for three if not four investigations, and which can be found on pages 400 to 409, inclusive, of the evidence.

Immediately after the publication of these articles, containing grave charges against the management of the Department in letting mail-contracts in the West and South, and their dissemination throughout the whole country, the then Postmaster-General, Mr. Creswell, met the issue squarely and demanded an investigation at the hands of the House, which was ordered on motion of the then chairman of the Committee on the Post-Office and Post-Roads, General Farnsworth. Pending this investigation, Farrar and Lockwood again approached Barlow, representing that it was better he should pay money to this combination that had worked up this *furor* than to risk their further unfriendliness in manufacturing a public opinion that might cause the Postmaster-

General to discontinue the service upon his routes, or operate upon the House so as to cause the passage of a resolution directing the canceling of his contracts, the effect of which would have been to render comparatively without value over five hundred thousand dollars' worth of property. We will now quote from Barlow's testimony, on pages 387, 388, 389, 390, 391, and 392, giving his own story, as follows:

By Mr. CANNON:

Q. How long have you been a contractor for mail-service?—A. About sixteen or seventeen years, commencing before the war.

Q. That was under Buchanan's administration?—A. Yes, sir.

Q. When you speak of contracting for mail-service that length of time, do you mean in the Territories in the West?—A. In our first service we purchased stock and contracts of a party in Missouri for a hundred-mile service from Sedalia to Kansas City. Then at the next lettings some parties obtained some contracts that they were unable to furnish the capital to carry out, and among them the Santa Fé route, from Independence, Mo., to Santa Fé, and from Santa Fé to El Paso, and we purchased that. We purchased the stock of the old contractors. There were quite a number of other routes also.

Q. You have been a pretty heavy mail-contractor since prior to 1860 up to the present time?—A. I have.

Q. Have you been about Washington a good deal since that time?—A. I have, a great deal.

Q. Commencing in Buchanan's time and coming up to the present time?—A. Yes, sir.

Q. For what purpose were you about Washington in the first place? Was it for the same purpose that you have been about here subsequently?—A. Yes, sir; just the same.

Q. When did you commence making the acquaintance of members of Congress in position in the Post-Office Department and other Departments? Was it prior to 1860?—A. Yes, sir; I have always been cultivating the acquaintance of the class of men of whom you speak.

Q. Then your practice has been uniformly to render yourself pleasant from the time that you commenced prior to 1860 to the present time?—A. Yes, sir; I have endeavored to. I used to be a politician and learned that then.

Q. Who was the Postmaster-General when you first commenced contracting?—A. I do not remember; it was the Postmaster-General under Buchanan.

Q. Did you ever make the acquaintance of Buchanan's Postmaster-General?—A. Horatio King was the last one under Buchanan. I was very well acquainted with him.

Q. Were you acquainted with him while he was in the Department?—A. Yes, sir.

Q. Did you frequently see him to have conversation with him?—A. Yes, sir; I have ever since.

Q. Were you acquainted with the First and Second Assistant Postmasters-General during that time, whoever they may have been?—A. I had not as much intercourse at that time with them, because my business was not as large; after we got those contracts in the Territories my business led me to be here more.

Q. Were you ever in the Post-Office Department building prior to 1860?—A. Yes, sir.

Q. Had you business about there, such as drawing your pay, &c.?—A. Yes, sir; as I have done since.

Q. Were you acquainted with some of the clerks?—A. Yes, sir; always.

Q. Did you make it a point to become acquainted with them?—A. Yes, sir; and to try to make myself agreeable to them, as I always do with all men with whom I have done business. I have always been pretty successful, too, in that respect.

Q. Did you ever pay any money to any post-office official prior to 1860?—A. No, sir; I do not think I did.

Q. Have you ever paid any money or valuable thing to any post-office official since 1860, directly or indirectly?—A. No, sir, I have not.

Q. Then I understand from you that, so far as the payment of money or the giving of presents or other valuable things from the time that you commenced contracting under James Buchanan's administration to the present time to parties holding official position, or any person for them inside of the Post-Office Department, that you have not done it?—A. No, sir.

Q. Nor any of your firm to your knowledge?—A. No, sir; none of my firm have to my knowledge.

Q. In your experience as a contractor and as a business man, as I understand that you have done a great deal of this business, amounting to many millions of dollars, state if you have noticed that public opinion is manufactured by newspapers which are largely controlled by correspondents at Washington and by parties, some of them meritorious and some of them soldiers of fortune, who are lobbyists about Washington—as to whether or not they have much to do with the manufacture of public opinion?—A. I think that they pretty much control it.

Q. State, as to the moneys you have spent in Washington from the time you commenced contracting to the present time, as a matter of fact, whether they were spent upon these parties and for the purpose of controlling them, to manufacture public opinion, or whether they were spent for the purpose of directly influencing the action of some person or persons in the Post-Office Department?—A. I never have spent much money on the newspapers, for my business was not of such a character as to require it.

Q. I am not speaking of newspapers alone, but I am speaking of parties who are about Washington?—A. Yes, sir; it was.

Q. It was spent to affect them in their attacks upon you?—A. Yes, sir.

Q. Or was it spent to affect the officers of the Post-Office Department improperly; which was it?—A. I never spent any money to produce any improper influence upon any officers of the Post-Office Department, and it never was necessary; but I was subject to constant attacks, and often controversies with rival contractors, and sometimes mail-service necessarily conflicts with others who have mail-service; people are trying to shift routes in order to accommodate their own purposes; try to get them curtailed or to get their service improved, or to change in some way, so as to affect somebody else's routes. I have had that to contend with, and I have been obliged to expend a great deal of money in warding off the attempts which were made to injure my business. I have been obliged to spend a good deal of money in that way, and have done it. It commenced long ago.

Q. Now, to come down to the investigation of 1872, under what is known as the McKibben resolution, have you ever examined the evidence that was given on that occasion?—A. Colonel McKibben this morning gave me a copy of the report. I never have examined the evidence. I knew, of course, what the evidence must necessarily have been in all the cases where I was interested myself, as I knew it was not possible for anybody to find any evidence that there was any fraud or wrong about my service which I was connected with, and that was sufficient for me.

Q. State what it was that you feared from the result of that investigation and which you attempted to ward off?—A. I had what I thought was good reason to believe that there was a conspiracy formed by some parties who were at the time in the Post-Office Department, and some who had been in the Post-Office Department and were out, and some parties who had never had anything to do with the Post-Office Department and were outside, but who had been in the habit of bidding. There was a conspiracy formed to levy black-mail upon me and to break up my contracts if they possibly could. I had legal advice in reference to the situation as to whether I was liable to receive any injury or whether any legal injury could possibly result—whether I was in any legal danger. I got Judge Paschal to examine the whole subject and give me his written opinion about it, which he did. That opinion was that I was not in danger of their accomplishing any injury; but he said it was a mere question of policy whether I should silence these fellows by giving them some money or whether I should go in and have a fight.

By the CHAIRMAN:

Q. State the names of those parties.—A. I do not know the names. I gave the names as well as I could the other day. Mr. McKibben could probably tell you more about who the parties were than I could. I never asked him who they were.

By Mr. CANNON:

Q. Who in the Post-Office Department was in this conspiracy?—A. I do not really know. I have no knowledge of anybody who was in the Post-Office Department who was in it, but it was represented to me that there were parties in the Department in it.

Q. Who made that representation? Did Farrar?—A. Yes, sir.

Q. Did you have it from anybody in the Post-Office Department?—A. No, sir; I did not; it was parties pretty low down, anyhow, I supposed from his representations.

Q. What do you mean by that?—A. I mean low in position.

Q. Do you mean clerks?—A. Yes, sir; clerks.

Q. Do you know whether Farrar told you the truth about this, or told you a lie for the purpose of making an impression upon your mind that the conspiracy was formidable, to get money out of you?—A. I had the impression, because he showed me statements which were transcripts of the records of the Department, which satisfied me they had some means of getting them which was rather unusual.

Q. Were they not public records?—A. Yes, sir; they were public records. Anybody could go and get them, but I could not find out who did get them.

Q. Yet anybody had a right to them, had they not?—A. Yes, sir; there was nothing there but what anybody had a right to, but they were picking up the same information which was disclosed here before the committee.

Q. I understand from your evidence you had just bought the stock upon the Oroville and Portland route of a man named Jesse D. Carr?—A. I bought the stock on the Kelton and Dalles route and some others, of a man named Lockwood.

Q. How much did you have in the stocks of those roads?—A. We bought at over \$380,000—somewhere between \$350,000 and \$400,000 for the stock.

XXXII MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

Q. What was the value of your stock on the western routes in the Territories at that time, as near as you can remember? Lump it.—A. Probably over \$500,000

Q. I suppose for anything else except for the mail-service that the stock, and coaches and stations, and all matters connected therewith are not of any great value?—A. They are of very little value if your contracts are taken from you.

Q. The Postmaster-General had a discretion, under the law, at that time to cut down the service or even to annul contracts, did he not?—A. Yes, sir; by allowing one month's pay he had power to annul contracts.

Q. The cutting down of the service materially or the annulling of contracts, I gather from your evidence, would have been disastrous to contractors holding this large amount of stock?—A. It would have been ruinous to us.

Q. Colonel McKibben had some knowledge about mail-contracts, had he not?—A. Yes, sir.

Q. He had some experience, and knew something of the magnitude of your operations?—A. Yes, sir.

Q. This man Farrar also had some knowledge?—A. Yes, sir; I think they were both bidders on the routes in Sawyer's section.

Q. They had knowledge enough to understand the effect that the decrease or the cutting off would have upon you after you had invested your capital in the stock?—A. Yes, sir. This man Lockwood, I learned afterward, was one of the principal managers of the conspiracy.

Q. Lockwood was representing himself as your friend in this matter?—A. Yes, sir; I thought he was.

Q. He was advising you to accede to Farrar's terms?—A. Yes, sir; and I have no doubt he received some of the money.

Q. You subsequently ascertained that he was in the combination?—A. Yes, sir.

Q. As to the \$40,000 in round numbers that was paid to Farrar, state whether it was for the purpose of bribing any member of Congress or anybody in the Post-Office Department, or whether it was not paid to him for the purpose of shutting the mouths of these men who were making war upon you, from the fear that they might manufacture that kind of a case in Congress, or that kind of public opinion, that would cause unfavorable action to you by the Department in cutting off your routes and decreasing your service?—A. It was paid for that purpose. I never supposed a dollar of it would go to anybody except to these fellows who were manufacturing this public opinion, stimulating these newspaper articles which were published all over the country. I never expected a dollar of it would go to anybody in any official position, and never had the least idea that it did, and they never pretended that it did.

Q. Were all the facts in reference to your bids upon the contracts and the recommendations upon which service was increased matters of record in the Post-Office Department?—A. They were all matters of record. There never was anything brought to bear by me, or those interested with me, that I know of or believe, except what is a matter of record.

Q. State whether you had any conversation yourself with McKibben prior to the investigation, or pending the same, touching the pressing of this charge by him before the committee or otherwise.—A. I do not think that I did. I had considerable talk with Mr. Farrar, and, I think, with Mr. Huntley, and I think that Mr. Huntley went to see McKibben to ascertain if he could not employ him; and he declined, as I understood, to be employed, saying that he had made the charges, and he felt in honor bound to sustain them. He went to him to employ him.

Q. What did you understand from Mr. Farrar as to Mr. McKibben being in this combination and making this war upon you, and as to his being affected in any way by the payment of this money? I am asking you now as to Farrar's representations; I am not asking you as to what McKibben did or did not do.—A. He thought he could influence and to some extent control McKibben, but I do not know that he did. I guess he tried to do the best he could.

Q. That is one of the representations upon which you paid the \$40,000?—A. Yes, sir.

Q. At the time that you paid the \$40,000 you supposed that McKibben was in the ring, so to speak, for the purpose of getting a portion of the money; that is, you supposed so from Farrar's reports?—A. Mr. McKibben has been my counsel ever since.

Q. Yes, I know that; but judging from Farrar's reports, state whether you supposed that McKibben along with Farrar and others would let up?—A. I expected from Farrar's representations that the investigation would not be pushed in any direction—that is, that they would not push it if they could prevent it—he would not, if it could be prevented, push it in any direction which would annoy or disturb me or give me any trouble or vexation, or that would render it necessary for me to expend any time about it.

Q. Did you expect by that, or did Mr. Farrar represent by that, that he would suppress any facts that were in existence in reference to this matter?—A. No, sir.

Q. Then from your stand-point, if I get it correctly, and from Farrar's representations, the only effect, as you understood it, of the use of this \$40,000 was to call off this

combination which was hounding you, and which, according to your theory, got up this thing for the purpose of black-mailing you?—A. That is what I expected from it. I never expected that they would influence the committee at all. I expected to call off the hounds. It was blood-money, as we call it, and if they got that they would be satisfied.

Q. I believe you have already stated that Farrar represented that he was satisfied that he could affect McKibben as well as others?—A. He thought he could. I do not know whether he could or not. McKibben took his own course about the business.

Q. There was a lull in the war after you paid the money, was there not?—A. Yes; they were always happy; there were no more patriotic outbursts about the frauds in the Post-Office Department.

Q. Newspaper articles were not quite so plenty, were they, afterward?—A. No, sir; they were not at all; I did not hear anything more of it.

Q. Is Mr. McKibben a lawyer?—A. Yes, sir.

Q. Is he a pretty good lawyer?—A. Yes, sir; a good lawyer.

Q. Had you ever employed him before?—A. No, sir; I never saw him before.

Q. Then these charges that he fathered, and which were published in the Patriot, upon which this resolution of investigation was founded, resulted in your becoming acquainted with McKibben and employing him as your attorney?—A. Yes, sir.

Q. What has been the nature of the duties which he has performed for you from that time to this?—A. Well, not very arduous.

Q. What has been his pay?—A. It has been pretty good pay.

Q. About how much?—A. He is not a cheap man. I have paid him more than I have anybody else.

Q. How much a year?—A. I guess he has received from it, one way and another, \$40,000 or \$50,000.

Q. From that time to the present time?—A. Yes, sir.

Q. How many lawsuits has he ever brought for you?—A. None at all.

Q. How many legal opinions has he ever given you?—A. Not a great many.

Q. Do you think he has given you five hundred dollars' worth?—A. I do not know; that was not exactly what he was employed for. He was to attend to my business as mail-contractor. I thought he was a pretty good hand to keep those fellows off.

Q. Is not this the truth about it, that he had been pretty successful, by writing and procuring to be published the article in the Washington Patriot, in raising this furore?—A. Yes, sir.

Q. Which has cost you \$40,000 to suppress; and you concluded that you had better have him in your pay now, and have no more of that kind of thing, so far as he was concerned?—A. That is exactly it.

Q. In other words, it was hush-money to him more than anything else?—A. Mr. McKibben has been of some service to me in my business. He has been of considerable service to me.

Q. But the principal matter was to keep him from making war?—A. I was satisfied that Mr. McKibben would not be unfaithful to any employment that he had, and I thought that he was a pretty good man to have to checkmate that class of men who had been, as I thought, black-mailing me.

Q. He has not been engaged in getting up any investigation against you to your knowledge since that time, has he?—A. No, sir; I always thought that Farrar did not distribute his money to all conspirators. There was an investigation attempted the very last year.

Q. That was two years ago, was it not?—A. Yes, sir; two years ago. The usual signs that preceded a storm of that kind were all out, and I made up my mind that I would fight.

Q. What do you mean by the usual signs?—A. I mean the articles, attacks in the newspapers, upon the service and upon ourselves and upon the Post-Office Department. Then came the intimations.

Q. What intimations?—A. Intimations that this man or that some man could be stopped if it was desirable to stop it.

Q. Did these intimations come before this McKibben article was written?—A. Yes, sir.

Q. Who came to you and gave intimation of that kind before the McKibben article was written?—A. Lockwood did.

Q. What did Lockwood say to you?—A. He said they were getting up a combination to break up our contracts.

Q. Who, did he say?—A. He said that certain parties were.

Q. Did he speak of McKibben in that regard?—A. No, sir; I do not think he spoke of McKibben.

Q. Did he speak of Farrar?—A. He spoke of Farrar. He said that there were several other parties engaged with them, and that I had better settle with them and stop it.

Q. What did you do? I now speak of the first case.—A. Of course I did not pay much attention to it at first.

Q. You did not settle?—A. I did not settle. It would be about the next Monday that I would be notified sure that there was going to be a resolution introduced to investigate, and generally on Monday it would come up; somebody would introduce it, and then somebody would object.

Q. Did this intimation come from Lockwood that this conspiracy was being formed by these parties prior to the publication of the article in the Patriot?—A. Yes, sir.

Q. You refused to give anything?—A. Yes, sir.

Q. Did it come to you more than once prior to that time?—A. Yes, sir; frequently.

Q. About how frequently?—A. It seemed to be industriously circulated, so that it was a general rumor that there was going to be an investigation.

Q. About how frequently did Lockwood come to you and want money?—A. Lockwood never asked me for any money; he was a friend of mine.

Q. He recommended that you should give money?—A. Yes, sir.

Q. About how frequently did he come recommending that you should give money to Farrar and this combination before the article in the Patriot?—A. I could not state.

Q. More than once?—A. Yes, sir; we had talked about it several times, and I had telegrams sent to me after I had started to go home. I would make up my mind that I would go home, and would have started, and would receive them on the train.

Q. Telegrams from whom?—A. Some parties here saying that I had better come back; that there was trouble brewing.

Q. From Lockwood?—A. I do not remember whom I had them from.

Q. So that you refused prior to the publication of the article in the paper, or up to that time, at least, to pay anything to buy your peace to these men who were engaged in this conspiracy?—A. Yes, sir.

Q. And even after it was published I understand that you refused to pay anything until the resolution was actually introduced and the investigation commenced?—A. Yes, sir.

Q. And in the mean time the effect of the article in the Patriot, which I suppose was published all over the country, and the introduction of the resolution in the House, and the investigation, made enough thunder and lightning, so that you thought you had better come down with \$40,000?—A. I thought I had better do it as a matter of policy; it was cheaper to do it than it was to fight it.

Q. State whether it was a part of this understanding with Farrar when it was settled that about \$40,000 was to be paid that McKibben should be employed as your attorney. State whether that was spoken of, or whether Farrar had authority to represent that he should be employed.—A. I do not know that there was any understanding with McKibben.

Q. But I am speaking as to Farrar.—A. I think I told Farrar that we should be very glad to employ McKibben.

Q. That was about the time that you agreed to pay the \$40,000 was it?—A. Yes, sir; about that time.

Q. Did you authorize him to say that to McKibben?—A. I think I did.

Q. What report did he bring to you?—A. I think Mr. Farrar said that McKibben declined to make any arrangement about it as long as the investigation was pending; that is my impression.

Q. Was it understood between you and Farrar, during this investigation or after this investigation was over, you were to employ Mr. McKibben as your attorney?—A. Farrar certainly understood that I would employ him.

Q. How soon after the investigation was over was it before you did, in fact, employ him?—A. It was immediately or very soon after; right off, I think.

Q. And from that time to this you have probably paid McKibben \$50,000?—A. No, sir; I do not think that I have from that time to this.

Q. About how much as near as you can tell; is it \$40,000?—A. No, sir; I think, probably, I paid him \$25,000. That payment would extend over the last four years. I think it was rather more than that; in fact, I think I have paid him \$30,000. He will be able to state, because he is not, probably, having so many transactions as I am.

Q. Did you pay him in money generally, or in checks?—A. I paid him in money sometimes, and sometimes in checks; sometimes I would give him my note.

Q. There has been no secret since that time that he was your attorney?—A. O, no; there has been no secret about that. Sometimes I would give him my note; he has my note now. He said he wanted some money. I had none to give him, and gave my note for \$2,500.

Q. Have you thought of anybody else who was in the combination besides Farrar and Lockwood?—A. I do not remember anybody now. In fact, I never took much pains to find out who was. I did not think it was of very much consequence.

Q. I now desire to come down to the investigation of two years ago in the Forty-third Congress. I understood you to say a moment ago that prior to the offering of the resolution in that case for an investigation these same kind of intimations came up?—A. Yes, sir; the same premonitory symptoms that there were before; I could tell just as well.

Q. Who suggested to you, if anybody, that some money ought to be paid?—A. I do not remember now who did. I made up my mind that I would not pay any, and publicly proclaimed it.

Q. Did somebody make such suggestions?—A. Yes, sir; the suggestion was made.

Q. Before the resolution was offered?—A. Yes, sir.

Q. Do you know who furnished the information upon which this resolution was offered?—A. It was the same old article of two years before; they had got pretty well stereotyped. They have been published as many as half a dozen times, I think.

Q. They have done duty frequently, then?—A. Yes, sir; they have done duty frequently; and two years ago they took the same old documents and published them again.

Q. Who was in the conspiracy the last time, if it was a conspiracy?—A. I do not know of anybody. I took but little pains about it. I made up my mind that I should not pay any more money any way in that manner.

Q. Did you pay any money during that investigation?—A. Yes, sir; I employed counsel. I employed Judge Black and Judge Paschal. I gave them each a retainer of \$1,000.

Q. Did you pay any more money pending that investigation?—A. Yes, sir; I think very likely I did.

Q. To whom?—A. I do not think I disbursed any money myself, but I gave McKibben money to do what he chose with.

Q. How much did you give to McKibben?—A. I do not know; I guess I gave him several thousand dollars.

Q. Several thousand dollars during the investigation of 1874?—A. Yes, sir; perhaps \$2,000.

Q. Why was that? As a fee to him, or money to use?—A. It was money to use.

Q. Do you know how he used it?—A. I do not.

Q. Did he ever report to you how he used it?—A. Yes, sir; I think he told me that he had used it.

Q. Did he say whom he had used it with?—A. I think he did.

Q. Who was it?—A. I could not state; I do not recollect. He did not use it in any improper manner, and never represented that he did. I do not know that I can tell how he used any of it; he can state that himself. It was used to fight; it was not used to pay anybody.

In this manner Barlow bought his peace from this combination of sharks, lobbyists, and soldiers of fortune, for \$40,000. But here let us do McKibben the justice to say that he claims—and there is no evidence to contradict it—that he received no portion of the \$40,000. Having, as he states, in effect, brought about the investigation, he felt in honor bound not to enlist upon the side of the contractors until the investigation was closed. It is nevertheless true that having, as he frankly admits, entered into a combination with Farrar and Lockwood to make war upon the Department and the contractors, (pages 409, 422, and 423,) he would, if upon trial under indictment, be held liable for the declarations and acts of his confederates made or done in carrying out the common object. But, admitting that he received no part of the \$40,000 paid by Barlow, (blood-money, as it is called by some of the witnesses,) still the fact remains that Barlow understood, as a part of the arrangement, that he was to employ McKibben as his attorney, at the rate of about \$7,000 per annum; not to try cases and give advice as attorneys ordinarily do, but to work for his interest touching mail-contracts, &c., and help ward off adventurers, black-mailers, and soldiers of fortune that might attack him in the future.

While Mr. McKibben testifies (in which he is corroborated by Barlow) that he refused a fee pending the investigation, yet the fact that immediately upon its close he entered the service of Barlow, ceased to bid for mail-contracts, and has received since that time \$30,000 in round numbers, not for the trial of cases nor for legal advice, but for services in keeping at bay soldiers of fortune who attempted to levy black-mail, and for the use of his influence in preventing legislation that might be deemed against Barlow's interest, is, to say the least, suggestive of the inference that this was a part of the fruits reaped as a reward by this

reformer for his zeal in behalf of a pure public service. However, McKibben tells his object in attacking the service and the Department, in referring to the efforts of Holbrook and Pendleton to promote an investigation touching the same matters in 1874, in the following words :

By Mr. CANNON :

Q. Have you read the evidence in the case of the investigation of 1874 ?—A. I have ; but the impression that it has made on my memory is very slight. When the evidence was furnished me I ran over it casually to see what was in it, and I set the whole thing down as amounting to nothing ; that is, that the character of the evidence brought there had no particular point. One point I would like to make in explanation of the question I was asked, why I did not attend its sessions. I did not, because at my own request I preferred remaining away. That was a request made to Mr. Barlow.

Q. I believe you stated that these charges originated with Mr. Holbrook and Mr. Pendleton ?—A. I have only the general impression and belief in regard to that ; I do not know positively ; I have heard, particularly Holbrook, through a number of years—for the last two or three years—speaking about these things ; about ripping up that and ripping up other things, and my impression is that they originated there. I do not know but what in conversation with some of the committee I may have heard so.

Q. Do you know whether Mr. Holbrook was before the committee and his name given to the committee as a witness in the investigation of 1874 ?—A. I am under the impression that it was, although I may be wrong ; not being in the committee and not charging my memory with what I did not consider of any importance, I do not remember. I cared nothing about these investigations so far as my clients were concerned.

Q. Why did you care nothing about them ?—A. I never thought they would amount to anything.

Q. Were they about the same matters, so far as your clients were concerned, which were investigated in 1872 ?—A. The contracts had all expired. They had all gone out of existence, and all that these gentlemen proposed to do was simply to bring up matters that could not at that time be corrected, and if they established everything they wanted to, all that they said they could establish, I would have said just the same thing.

Q. They were the same matters brought up in the investigation of 1872 ?—A. Yes, sir.

Q. And about which this evidence of which you have spoken was taken ?—A. Yes, sir ; after that investigation there was, as I know from my connection with Mr. Barlow, constant efforts made to get the thing up again and again. It was for no public good. I do not know that I myself started this investigation for any public good. If that was the result of it, I was perfectly satisfied. I was angry, disappointed, and anxious to get to work in Texas. I was anxious to go there to live, and I did not think that I had a fair chance in the Post-Office Department, and I went to work to make it.

Again, it appears from McKibben's evidence, on page 409, that he, Lockwood, and Farrar were acting together making common cause in the matter. On page 423, McKibben admits that they three, during this investigation of 1872, were making common cause in seeking to have Barlow's contracts canceled, while on page 410 McKibben testifies that at the same time and in and about this same investigation he knew Farrar was also acting as Barlow's attorney.

McKibben also testifies that he is and has been attorney for other contractors besides Barlow, but their names are not given in the testimony. The testimony, however, of Mr. Taylor and Judge Paschal shows that Sawyer & Co., the Texas contractors, holding routes upon which McKibben and Lockwood were bidders at the letting of 1871, expended, about the time of the investigation of 1872, from \$50,000 to \$60,000. The seal of death has been placed upon the lips of Farrar, Lockwood, and Sawyer, and hence we have no word from them informing us to whom this money was paid. It is shown, however, that Farrar, Lockwood, and McKibben were operating together, and this circumstance, when taken in connection with the statement of McKibben that at the time of the investigation in 1872 he was not worth a dollar, and the further evidence that from that time he has not been engaged in business as a mail-contractor, the evidence of Charles E. Clark, the book-keeper of Sawyer, in which he produces the notes of Sawyer to Farrar and McKibben, and checks to McKibben, amounting to a great many

thousands of dollars, is both suggestive and important. It can be found on pages 508, 509, 510, and 511, and is as follows:

CHARLES E. CLARK recalled. Examination continued.

By the CHAIRMAN:

Question. You stated that you desired to make some corrections in your testimony.—
Answer. Yes; with the permission of the committee, I would state that the other day I could not name any of the parties to whom this money was given; not knowing what questions were to be asked me, I was led into that statement, but upon refreshing my memory I can make some corrections in that respect. I have also some checks which aid my recollection. These are checks, drafts, &c., to various parties which were to make the sum of \$73,000, (or whatever sum it was,) on the books, which was charged as attorneys' fees. I will state here that those checks and drafts were handed to me by Mr. Sawyer himself, for the purpose of making up that account preparatory to his making his trip to Texas, to have them recorded upon the books of the different divisions there in their proportion.

By Mr. CANNON:

Q. What year was that?—A. It was 1872, sir; that is, these checks were of that date. I prepared the statement last spring.

Q. Last spring before Sawyer's death?—A. Yes, sir; before his death.

Q. That was the preparation of the statement of the account that he claimed against the company shortly before his death, and which was not allowed by the company—by the other partners?—A. They objected to it. Mr. Scott and Mr. Taylor both objected to it.

The CHAIRMAN. They objected, but it was allowed.

Mr. CANNON. No, they allowed in 1872; but the last lot of \$73,000 they objected to, and it was not allowed, as I understand from the evidence.

The WITNESS. My evidence did not go to that effect, but Mr. Taylor said it. I know that Mr. Taylor and Mr. Scott, when here last summer, did object to their portion of that amount; not that they objected to the gross amount; they objected to the division of it; and I doubt very much if it has been settled.

Q. What we want to do is to distinguish these items from the amount allowed in 1872. These went to make up the \$73,000 that was not settled at the time of Sawyer's death, was it?—A. These went to make up the \$73,000 that was not settled at the time of Sawyer's death.

By the CHAIRMAN:

Q. Which of those drafts came into your possession, and how did you make up the account?—A. Mr. Sawyer handed me these drafts, requesting me to make up the account for the entire amount of these drafts and checks, as being the amount paid by him as attorney's fees. The same was to be divided and charged against the different divisions, as, for instance, his own. There were only three at that time; his own, Mr. Taylor's, and Mr. Scott's.

Q. *Pro rata*, I suppose?—A. Yes, *pro rata*, in proportion to the mail pay.

By Mr. CANNON:

Q. They were handed to you in 1875, were they, in the spring?—A. Yes; in the spring of 1875. The first draft or check that I have got in my hands (I do not know that they come in regular order, but I suppose that makes no difference) is a draft drawn June 27, 1872, by F. P. Sawyer, for El Paso Mail Company. The amount is \$2,500. It is drawn on C. M. Lockwood, in favor of George W. Cook; the same was accepted by Lockwood on the 2d of June, 1872, and was paid in full on November 2, 1874, the amount being \$2,970, which includes interest.

Q. The interest makes how much?—A. I do not know exactly, but the whole is \$2,970.

Q. When was that draft due?—A. That draft was due on the 29th of June, 1872; it is a sight draft, accepted on that day by Mr. Lockwood. As evidence of that being the amount, here is a check dated November 3, drawn by Mr. Sawyer on the National Bank of the Republic for \$2,970, payable to Frank W. Hackett, who was the attorney for Mr. Lockwood, as I understood it, the amounts corresponding. I did, under Mr. Sawyer's supervision, attach these checks to the different drafts, and in some instances they were attached before I got hold of them. That draft is indorsed on the back, "Pay to C. M. Lockwood. (Signed) George W. Cook." It is indorsed on the face, "Paid in full, November 2, 1874, \$2,970. F. W. Hackett, for Lockwood estate." The next paper that I have here is a note dated the same day, at one hundred days from date, for \$2,500, in favor of George W. Cook, receipted on the face as follows: "Received February 9, 1875, \$3,154 in full. (Signed) Estate of C. M. Lockwood, by F. W. Hackett." Accompanying this is a draft of Mr. Sawyer's on E. A. Abbott, of Boston, for \$3,154, a sight draft.

XXXVIII MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

Q. George W. Cook indorses to Lockwood on that, does he?—A. Yes; indorses to Lockwood, the same as the other. I have also a promissory note here, dated May 1, 1872, reading as follows: "On demand, I promise to pay C. M. Lockwood \$5,000 and interest until paid. (Signed) F. P. Sawyer," and indorsed "Estate of C. M. Lockwood, by Frank W. Hackett, attorney," and indorsed also by Mr. Sawyer, he guaranteeing the indorsement of Hackett. Accompanying that is Mr. Hackett's receipt for \$5,378.90, which is the principal and interest. I produce, also, Sawyer's note, dated July 1, 1873, payable to "Frank W. Hackett, attorney," on the 10th day of January, 1874, with interest from date at 7 per cent. on the amount of the note.

Q. Hackett was attorney for whom?—A. This note does not state; but he was attorney for Lockwood. The amount of the note is \$3,333.33. There is an indorsement in Mr. Hackett's writing, without being signed, however, in the shape of a receipt, "January 10, 1864, \$300." That was the date, you will observe, that the note matured, and on the 14th day of February, 1874, a check of F. P. Sawyer on the National Bank of the Republic, in favor of Hackett, and by him indorsed, for \$3,177.22, was drawn, covering, with the \$300, the interest. I produce another note of F. P. Sawyer's in favor of F. W. Hackett, attorney, payable on the 10th of October, proximo, for \$3,333.33. On the 11th day of October, 1873, Mr. Hackett, as attorney, receipts for draft on E. A. Abbott, Boston: "In full for the above;" and on that same date, 11th October, 1873, accompanying this is a draft of F. P. Sawyer on E. A. Abbott for \$3,333.33, the receipt for which is there.

Q. Have you a third note of the same date, July 1, 1873, given by Sawyer to Frank W. Hackett, the attorney?—A. I have no recollection of any.

Q. You did not find it among the papers?—A. I did not find it among the papers; no, sir. I produce a sight-draft, dated June 26, 1872, drawn by F. P. Sawyer on C. M. Lockwood, Washington, D. C., in favor of W. H. Farrar, for \$20,000. Mr. Farrar receipted on the back as follows: "Received on the within draft, June 27, 1872, \$20,000, from C. M. Lockwood."

Q. There is no acceptance of Sawyer on it?—A. It is accepted by Lockwood. I produce another note, dated July 15, 1873, drawn by F. P. Sawyer, at twelve months' time, in favor of Farrar and McKibben; amount, \$3,166.66. Accompanying this is a check, dated July 25, 1874. I might state that this note carries interest at the rate of 7 per cent. I produce a check, dated July 25, 1874, drawn by F. P. Sawyer on the National Bank of the Republic, to the order of Joseph C. McKibben, for \$3,394.32. The check is indorsed by Joseph C. McKibben.

Q. Do you know McKibben's handwriting?—A. Only from having seen the same thing several times; I never saw him write.

Q. Did you ever see anything that he acknowledged to be his handwriting?—A. Never saw him acknowledge anything; do not know the man at all.

Q. Is that in the same handwriting as the checks you have ordinarily seen indorsed by him?—A. Yes, sir. Here is a note of F. P. Sawyer's dated July 15, 1873, six months after date payable to Farrar and McKibben, \$3,166.66, with interest. The note bears the following indorsement and receipt on the back: "Received, January 20, 1874, from F. P. Sawyer, \$2,410 on the within note. (Signed) Joseph C. McKibben."

Q. The same handwriting as on the check?—A. I will look at them and see. [The witness compares the handwritings.] It is a little smaller writing, but it is characteristic. The signature is a little different, though it is evidently written by the same party.

Q. You have no doubt about that being the same signature?—A. I have no doubt at all. There is another indorsement, as follows: "Received February 19, from F. P. Sawyer, \$250, on the within note. (Signed) Joseph C. McKibben." To correspond with that last receipt there is a check here to McKibben's order for \$250, and by him indorsed, and also indorsed by Daniel Munn. Here is also a check dated February 21, 1874, drawn by F. P. Sawyer to the order of Joseph C. McKibben for \$622.49; that is indorsed by McKibben, also by Tenney & Co., the men, I believe, who keep the National Hotel. Those, I think, go to make up that note with interest. Here is a note—I give it to you for what it is worth; I do not know anything about it; I think it was put in by Sawyer after I made up the statement, but I will not be positive about it. It is dated July 1, 1872, drawn by F. P. Sawyer, at ninety days, in favor of Capt. J. J. Hinds, for \$7,500, payable at the First National Bank of Washington. This is indorsed by J. J. Hinds, A. McDonald, J. T. Chidester, H. C. Swain. Attached to this is a memorandum in Sawyer's handwriting, and signed by him, reading, "This Hinds party got of the El Paso Company \$15,000, \$7,500 besides this note. The other note is not taken up yet. F. P. Sawyer."

Q. Is the signature of J. D. Chidester on that paper the genuine signature of J. D. Chidester?—A. I recognize it as his handwriting.

Q. You know his signature?—A. I know his signature; I have seen it frequently. I have another note dated July 15, 1873, at ninety days, in favor of Farrar & McKibben, for \$3,166.66. The following receipts are indorsed on the back of that note:

"Received October 14, 1873, the sum of \$500 on the within note. (Signed) Farrar & McKibben."

Q. Whose signature is it?—A. I should say it was Farrar's signature for the firm of Farrar & McKibben. It goes on: "Received November 10, 1873, the sum of \$1,000 on within note. (Signed) Farrar & McKibben."

Accompanying that is also a check dated June 1, 1874, payable to the order of Frank W. Hackett, for \$1,772.30. It is indorsed by Frank W. Hackett, not as attorney, but for himself.

Q. It is not payable to him as attorney, is it?—A. No, sir.

I produce another note dated June 26, 1872, signed by F. P. Sawyer, for El Paso Mail Company, with C. M. Lockwood surety, in favor of W. H. Farrar, for \$10,000, with interest at 10 per cent. per annum.

Q. Is there any indorsement on that note?—A. Yes; "Without recourse to me. (Signed) W. H. Farrar." It goes on: "Received, Washington, D. C., October 31, 1872, \$4,000 on the within note. (Signed) W. H. Farrar."

Q. Is there anything to show that it is paid in full, this \$10,000 note?—A. No, sir; there appears to be but \$7,000 paid on that. If you look at the second receipt you will see it is dated 1863, but it should be 1873. It is for \$3,000. Those checks are of the same date and the same amount, so that it was evidently what was given for the note.

Q. He might have paid cash?—A. Yes; he might have paid cash; or here is a check which was given to cover it, probably: "July 3, 1873. Pay to Farrar & McKibben, or order, \$3,333.33." You will observe this note carries interest at the rate of 10 per cent., and would just be about that amount. I produce another note, dated July 15, 1873, drawn by F. P. Sawyer, at nine months, in favor of Farrar & McKibben, for \$3,166.66 with interest. This does not appear to be indorsed by anybody, but McKibben receipts for some money as of April 21, for it says: "Received April 21, of F. P. Sawyer, \$1,500 on within note. (Signed) Joseph C. McKibben;" and further: "Received May 4, 1874, \$100 on within note. Joseph C. McKibben."

There is also a transfer of a portion of Farrar's interest to Mrs. Cora Farrar. I produce two checks given to Joseph C. McKibben, and indorsed by him, which checks correspond with these two amounts, which I have just given you, as indorsements or receipts. Also, a check dated May 28, 1874, on the National Bank of the Republic, in favor of Joseph C. McKibben, for \$1,746.90, which goes, I believe, to make up that note with interest. Those make all the notes. I now come to the checks. I produce a check dated July 3, 1873, drawn by F. P. Sawyer on the First National Bank of Washington, District of Columbia, in favor of Farrar & McKibben, and by them indorsed, for \$3,333.33. There is a lead-pencil name on the back of this that looks like Kiskaden. I have another check dated July 29, 1872, drawn by F. P. Sawyer on the First National Bank of Washington in favor of Col. W. H. Farrar for \$1,500, and indorsed by Farrar. Also, a check dated August 10, 1872, drawn by F. P. Sawyer on the First National Bank of Washington in favor of Col. William H. Farrar for \$1,000, and indorsed by Mr. Farrar. I produce also a check dated September 6, 1872, drawn by F. P. Sawyer on the First National Bank of Washington, District of Columbia, in favor of Col. William H. Farrar for \$2,500, indorsed "W. H. Farrar, and Fant, Washington & Co.," who are bankers here. I have now gotten through with all the checks, drafts, and notes. I produce a memorandum of which I personally know nothing, but it goes to swell up that amount of \$73,000 or \$74,000. Sawyer made a memorandum here, or a statement in blue-penciled figures, reading "Swindle; but chargeable to El Paso Mail Company, this amount, \$3,846." Then there are figures attached in ink swelling that amount up to \$3,892.75. I suppose it is interest added.

Those comprise the papers that I have, excepting these, [indicating a package in his hand.] I do not think, however, that these can be of any use. There does not appear to be anything paid for them; but still they are here, and you are welcome to them. I could find no checks to correspond with the payments of them, but I brought those along. They do not enter at all into that \$73,000. I have here a note dated June 26, 1872, reading as follows: "On the 1st day of January, 1873, the El Paso Stage Company promises to pay W. H. Farrar or order \$10,000, with interest at 10 per cent. per year. (Signed) F. P. Sawyer, for the El Paso Mail Company; C. M. Lockwood, surety," and indorsed: "Without recourse. W. H. Farrar." Also note of F. P. Sawyer, dated June 26, 1872, for \$10,000, in favor of W. H. Farrar, with interest at 10 per cent. per annum, indorsed: "Without recourse to me. W. H. Farrar." Also another note of F. P. Sawyer's, dated June 26, 1872, favor of W. H. Farrar, payable on the 1st day of July, 1873, for \$5,000, with interest at 10 per cent. This also is indorsed "Without recourse. W. H. Farrar."

Q. I will get you to state if it does not appear that there are no receipts or indorsements of payments on such notes, nor indications of cancellation, nor are there any checks corresponding to the last three notes.—A. I will state that there does not appear to be any payments by checks or otherwise on those last three notes.

Q. And no evidence of payment except the possession of these notes among his papers?—A. Precisely; there is no evidence at all that we have that they have been paid, excepting the possession of them.

By the CHAIRMAN :

Q. Can you tell the committee who has attended to Mr. Farrar's business ?—A. I cannot ; I do not know at all about that.

Q. Who was Mr. Farrar's partner ?—A. Mr. McKibben, I suppose. These notes are given to Farrar & McKibben.

This evidence throws a flood of light upon the disposition of a large portion of the money used by Sawyer. The relations existing between Farrar, McKibben, and Lockwood are further illustrated by the evidence of Judge Paschal, who was the attorney for Sawyer in his lifetime, a part of which, on pages 497 to 504, inclusive, and which tells its own story, shows conclusively, with other evidence that time will not permit us to cite, that Lockwood contracted with Sawyer to enter into copartnership with him in the El Paso Stage Company, which was performing this mail-service in Texas, agreeing to pay for his interest in the future, but entering upon the copartnership at once, and that, acting as such copartner, he contracted for the company, in consideration that his confederate, Farrar, would not bid upon mail-routes ; that the company should pay Farrar \$60,000, having at the same time a private contract with Farrar that Lockwood should receive for himself \$40,000 of the \$60,000 from Farrar.

Lockwood fails to pay, as he agreed to do, for his interest in the stage company, and ceases to be a partner and dies. The executrix of Lockwood brings forward this agreement, made between Farrar and Lockwood, and by her attorney Hackett, with Farrar by his attorney McKibben, presents the obligations for \$60,000 to Sawyer, represented by Judge Paschal. Paschal points out the fraud and pleads no consideration. McKibben and Hackett reply that Sawyer has been free from assaults upon his business by Farrar, and claims that as the consideration. Sawyer, by the advice of Paschal, offers \$10,000 to get rid of the fraudulent \$60,000 indebtedness. McKibben threatens that he will seek the interposition of the Postmaster-General as to the mail-pay on the routes unless more than \$10,000 is paid. Paschal, in reply, informs McKibben that this is dangerous ground, and to McKibben's bluffing threat quietly replies that there is danger of the penitentiary on account of that swindling transaction. McKibben winks Sawyer out of the room, and with Hackett they retire ; and after consultation the sum of \$10,000 is accepted for the \$60,000 obligations of Sawyer, and paid over to the representative of Lockwood. What division was made among the conspirators does not appear from the testimony.

McKibben is the Mephistopheles who gives life and direction to every scene in this black-mailing drama. He is the man who submits his newspaper articles to Mr. Beck and other prominent members of the democratic side of the then House (see page 409) before he publishes them, charging fraud on the Post-Office Department. He is the man that uses his influence with his democratic friends in Congress to work up an investigation, and who finally, after consultation with the minority of the Committee on the Post-Office and Post-Roads, (his party friends,) writes the minority report, reads it to and consults with the minority of the committee, including the gentleman from Pennsylvania, (Mr. Randall,) and they adopt it. When Mr. Carroll objects that it is too strong in its condemnation of the Postmaster-General, McKibben replies that if they want a sugar-coated report they must write it themselves. Yet two years after, when substantially this same matter of straw-bidding was investigated a second time, and Mr. Creswell was not only justified but commended for his administration of the Department, the gentleman from Pennsylvania (Mr. Randall) and

the gentleman from Tennessee (Mr. Atkins) agree with the finding of facts made by the committee in its report.

The evidence also shows that McKibben used the democratic minority in the Forty-second Congress to assist him in making this unjust war against the Department, he no doubt having profit in view and they desiring political capital even at the expense of justice and right; and after the Postmaster-General had, time and again, in his reports called upon Congress to give legislation under which he would have power to cut up by the roots this whole system of straw-bidding, and successfully and legally bid defiance to greedy contractors and soldiers of fortune that were plundering the Government under the *mandatory forms of law*, Colonel McKibben, as shown by his own evidence, in the pay of this unscrupulous ring of contractors, and in his own interest, continued to use, from time to time, his whole knowledge, ability, and political influence, especially with his democratic friends, to prevent any legislation under which straw-bidding could be broken up. His own testimony shows how successful he has been up to this time.

The majority seek to condemn Ex-Postmaster-General Jewell in connection with the prosecution of Hinds in the courts over a year ago. This they cannot do successfully. The clerks in the Department who were dismissed by the Postmaster-General were only detected by their own confessions, which, so far as the evidence discloses, were made upon the understanding that they were to be used as witnesses by the Government. The charge against Governor Jewell for not withholding a larger amount of pay on the Kittle contract is not well made, for the reason that it does appear from the statement of witnesses, but that all the pay was withheld that the evidence warranted, and, strange to say, the majority of the committee pronounce judgment against Governor Jewell without ever having examined the proofs of record in the case or put them in evidence. How do they know that his action was not proper? As against such an attack, without any foundation whatever, Governor Jewell's efficient public service and character is sufficient answer. We desire to say, however, so far as it is proper to say of any matter that is not in evidence, that when the record is put in evidence the matters therein stated will be found to fully justify Governor Jewell in his action. Indeed, the evidence shows that the administration of the Department by Governor Jewell has been thorough, vigilant, efficient, and honest in every respect.

The majority attempt to cast an imputation upon Mr. Creswell in connection with what is styled the straw-bid system. Nothing can be more unjust to that laborious and vigilant officer. His action in regard to straw-bidding is fully stated in his own testimony, (see printed testimony, page 587,) as follows:

Q. What do you know, or what did you observe while you were Postmaster-General as to an alleged system of "straw-bidding" that was practiced by contractors in getting contracts for the mail-service on the western or southern routes?—A. The first year I was Postmaster-General, 1869, there was scarcely any, if any, straw-bidding; none that came to my attention. That was for the letting of the New England States and New York. When the next year came round, it was reported to me, after the opening of bids, that there had been what was called straw-bidding. It was a new thing to me. I examined, so far as I could, into the bids, and found that some of them were manifestly disproportioned to the necessary expenditure in the performance of the contract, and I came to the conclusion that the persons who had made those very small bids were not bidding in good faith, and I prepared a law, which I thought would protect the Department, and brought it to Congress and urged its passage. That law was taken up in the Senate and was amended, against my protest, so as to strike out the very features that I desired to have inserted, and to insert a feature which above all others I was anxious to exclude. I desired that the Postmaster-General should have discretion, first, when satisfied, upon notice given to parties to appear, to ex-

clude a manifestly fictitious bid ; and, secondly, that the Postmaster-General, after the failure of the lowest bidder to enter into contract, should have authority to make a contract with any person, whether a bidder or not ; being willing, however, to give a preference to the bidder on his bid, whatever that might be, and resorting to outsiders only when he failed to make a contract with the bidder at a fair price. Both those features were stricken from the bill, and the second and third sections were consolidated into one section, which provided expressly that the Postmaster-General should be confined to the line of bidders, and gave him power only to award the contract to the lowest of the bidders, in the language of the act, "who would do so," (that is, who would enter into contract,) "for the performance of the service." When the business for 1870 was entered upon, we found that act to work very badly. It limited the Department at almost every turn, and the result was that contracts were awarded first to the lowest bidder, who failed, and then there would be a combination or arrangement, as we supposed ; indeed, it was manifest that such was the case. Of course, we had no positive knowledge of it, but every lower bidder would retire, leaving the Department to choose between some bidder higher up the list, and a continuance of the old contract, in the nature of temporary service, at a still higher figure. There was nothing left under the law but to accept the bidder who tendered himself to perform the contract, he being the lowest of the bidders. So it continued that year. When the next came I made a fight on the whole thing, and determined to break it up. I called for the opinion of the Attorney-General as to whether the Department (independent of this law, which applied only to one year, 1870) had the power under the general law to run up the line of bidders and award the contract to some other than the lowest bidder, or whether we were obliged to advertise. The Attorney-General decided that I was obliged to re-advertise ; that all I could do in the mean time was to let temporary service ; and that course was followed in every case. Never, to my knowledge, was there one case in which the lowest bidder was not accepted, or, if the Department was obliged to employ temporary service, in which we did not employ the very cheapest service we could secure. In many cases we chaffered with these people for days, often revoking the contract made with the postmasters at the head of the route, and insisting on lower rates, and in every case we made the best terms for the Government we could. I am speaking now of the letting of 1871. Then, in 1872, Congress passed another law directing the Postmaster-General, where the lowest bidder failed, to take the next lowest bidder in the line who would proffer himself for the performance of the service, and, after advertising two or three times, as I did during that year, I was obliged, under the act of April, 1872, to pursue that policy and make contracts on the best terms I could.

From this it appears that as early as the month of May, 1870, Mr. Creswell saw the danger to which the Department would be exposed from the vicious system of straw-bidding, and asked of Congress such legislation as would have completely destroyed it.

But the vital provisions of the act were stricken out, and the objectionable feature of confining the Postmaster-General to the line of bidders was adopted against his protest. That change was made, as was admitted by Senator Edmunds in debate in the Senate, for the very purpose of depriving the Postmaster-General of all discretion in the selection of a bidder. It further appears that, in his report of 1871, Mr. Creswell called the attention of Congress forcibly and at length to the same evil, pointed out the defects in the law, and recommended legislation that would have provided an effective remedy. The following extract from that report will show the recommendations which he then made :

Hoping to frustrate like attempts to defraud the Government in the future, I respectfully recommend that the laws regulating mail-contracts be so amended as to make it a misdemeanor, punishable by fine and imprisonment, for any person who, after bidding for mail-service and receiving an award thereof, shall fail to make a contract in due form and perform the service described in his bid or proposal, and also so as to declare it to be a misdemeanor, punishable in like manner, for any person to withdraw or attempt to withdraw, after the day appointed for the opening thereof, any bid he may make for such service, until a contract therefor shall have been duly signed and accepted and the contractor shall have proceeded to perform his duties thereunder to the satisfaction of the Postmaster-General.

I furthermore recommend that additional power be given to the Postmaster-General to reject manifestly fraudulent or fictitious bids, and, after a regular bidder or contractor shall have failed to enter into contract, or to fulfill his contract when made, to proceed

to contract on the best terms obtainable from any responsible party, whether a bidder or not, for the performance of the service for the residue of the contract term. If it be deemed advisable to continue in force the provision requiring certified checks or drafts to accompany the bids, then I recommend that the amount of the check or draft in each case be fixed at five per cent. of the last regular contract price, where said contract price exceeded \$5,000. This would compel bidders to make deposits in support of their proposals on all the more important routes, and would not leave open, as now, an opportunity to the fraudulent bidder to defeat the law by simply reducing his bid below five thousand dollars.

At every subsequent session of Congress, and notably in 1872 and 1874, he urged the passage of the same measures, but with only partial success. Never until the present session has the law been so amended as to give to the Postmaster-General the essential power of making contracts outside the line of bidders. Experience has thus shown that Postmaster-General Creswell, from the beginning, was sound upon this question, and that he never lost an opportunity of urging upon Congress the action required to enable the Department to overthrow the system of straw-bidding.

So far from being censurable for sympathy with men who perpetrated frauds upon the Department by straw-bids, and for indifference to the interests of the Government in that connection, it is established beyond all controversy that he commenced the war upon the straw-bidding frauds, and carried it on with vigor and without intermission until he resigned his position. To him, more than to any other person, is due the credit of finding and securing the adoption of an efficient remedy for that evil. And this Congress has virtually declared its approval of his course by adopting the very measures which he proposed six years ago, and for which he has never ceased to contend.

The majority, in reckless disregard of the facts, state that there was a positive violation of law upon the part of Mr. Creswell in the instance of the contracts given to Peterson, and designate section 264 of the Postal Code passed June 8, 1872, as the provision of law which he disregarded. Section 264 reads as follows:

That the Postmaster-General may contract with the owner or master of any steamboat plying upon the waters of the United States, or of any steamship or other vessel plying between ports of the United States, for carrying the mail for any length of time less than four years, and without advertising for proposals therefor, whenever the public interest and convenience will thereby be promoted; but the price paid for such service shall in no case be greater than the average price paid under the last preceding or then existing regular contract on the same route.

This provision was embodied in the code in lieu of the fourteenth section of the act of March 3, 1845, (5 Stats. at L., p. 737,) as follows:

SEC. 14. The Postmaster-General shall have power, and he is hereby authorized, to contract with the owners or commanders of any steamboat plying upon the western or other waters of the United States, for the transportation of the mail for any length of time or number of trips, less than the time for which contracts for transporting the mail of the United States are now usually made under existing laws, and without the previous advertisements now required before entering into such contracts, whenever, in his opinion, the public interest and convenience will be promoted thereby: *Provided*, That the price to be paid for such service shall in no case be greater than the average rate paid for such service under the last preceding or then existing regular contract for transporting the mail upon the route he may so for a less time contract for the transportation of the mail upon.

After reading the original act of 1845, it is clear that this section was intended to confer upon the Postmaster-General an additional power with reference to the employment of steamboats for transporting the mails, and was not designed to withdraw the steamboat-service from the operation of the general provisions of law regulating the advertising and the letting of mail-contracts. It will be observed that the act of 1845 and section 264 of the Postal Code are limited in their operation by

a proviso that the price to be paid for such service shall in no case be greater than the average price paid under the last preceding or then existing regular contract on the same route. No such limitation is imposed upon the letting of regular contract after advertisement, or upon the letting of temporary contracts when necessary to prevent a failure of service. In the regular or temporary lettings, no person can be excluded under the law from competing for steamboat-service because he may not be the owner or commander of a steamboat; nor is the Postmaster-General bound to exclude the lowest bidder, although his bid may exceed the price of the last preceding contract. The proviso of the act of 1845 prevented the Postmaster-General from contracting with Peterson for the employment of any steamboats under that act, for the reason that his bids were always in excess of the then existing or last preceding contract-price. So far from disregarding the law, the Postmaster-General lived up to its very letter, and refused to let any contract thereunder to Peterson because he did not bring himself within its provisions.

Failing to secure service by this special authority, the Postmaster-General was compelled to resort again to the general law requiring him to re-advertise, but which did not restrict him to the masters or owners of steamboats, or confine him to the last contract-price, and meanwhile to avail himself of the only expedient left—a temporary supply. No contract was ever granted by Postmaster-General Creswell, under the provisions of section 264, to Peterson, or any other person, at a higher price than the average paid under the preceding or then existing contract on the same route. After a careful examination of the testimony and the record, we have been unable to discover that any contracts were granted to Peterson otherwise than after advertisement, or under the law authorizing temporary service. But, be that as it may, the majority are challenged to name one case wherein service was let to Peterson at any time, in any form, or under any device, for one dollar more than the very lowest figure that could be obtained from him or any other person. This explanation makes it immaterial whether Peterson may or may not be considered in law as the “owner or commander” of a steamboat.

On that point, however, we have no doubt, as the evidence discloses that he had such an interest, both by direct ownership and by powers of attorney, as entitled him to a contract under section 264, if he had brought himself by his proposition within the proviso thereof as to price. It may be well, however, before leaving this topic, to say that the insinuation of the majority, based upon their assertion that Peterson was a friend of Creswell, is altogether groundless. The truth is, as appears from Creswell’s own testimony in response to questions propounded by the chairman of the committee, that Peterson was absolutely unknown to the Postmaster-General prior to his application for service in 1869.

The testimony reads:

By the CHAIRMAN:

Q. Peterson and you were well acquainted, were you?—A. No; I never knew him before.

Q. Who introduced you to Peterson; do you remember?—A. That I don’t remember. I think Peterson came here himself, as any other person would come, with an application, first for that Red River service.

In this connection, the majority call attention to section 250 of the postal code, in the following words:

That no contract for carrying the mail shall be made with any person who has entered, or proposed to enter, into any combination to prevent the making of any bid for

carrying the mail, or who has made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person not to bid for any such contract; and if any person so offending is a contractor for carrying the mail, his contract may be annulled; and for the first offense the person so offending shall be disqualified to contract for carrying the mail for five years, and for the second offense shall be forever disqualified.

This section, in its present form, did not become a law until June 8, 1872.

All the combinations by Peterson, if any there were, "to prevent the making of any bid," were entered into previously to that date, and could only be punished under the provisions of the 28th section of the act of July 2, 1836, (5 Stats. at L., p. 87,) which reads as follows:

No contract for the transportation of the mail shall knowingly be made by the Postmaster-General with any person who shall have entered into any combination, or proposed to enter into any combination, to prevent the making of any bid for a mail-contract by any other person or persons, or who shall have made any agreement, or shall have given or performed, or promised to give or perform, any consideration whatever, or to do or not to do anything whatever, in order to induce any other person or persons not to bid for a mail-contract. And if any person so offending be a mail-contractor, he may be forthwith dismissed from the service of the Department: *Provided*, That whenever the Postmaster-General shall exercise the power conferred on him by this section, he shall transmit a copy or statement of the evidence on which he acts to Congress at its next session.

The act of 1836 differs from section 250 of the postal code both as to the penalty prescribed and as to the duty enjoined upon the Postmaster-General to transmit a copy or statement of the evidence under which he acts to Congress at its next session in case he should exercise the power conferred upon him. The Postmaster-General was held to a strict accountability by Congress, and was required to set out at length the evidence which justified him in a resort to the extreme power of dismissing a contractor from the service of the Department. We have carefully considered the provisions of this statute, and have reached the conclusion that nothing short of proof sufficient to convict in a court of law would justify the Postmaster-General in such action. To dismiss a contractor on important routes from the service would frequently work his pecuniary ruin, and as the law secured to him an appeal to Congress, it was but right and proper that the Department should be careful not to implicate the Government by any act which could not be sustained. Although the proof shows that special agents and other officers of the Department were directed to investigate diligently into the mail-contracts on the Mississippi, and that the persons from whom Peterson derived his authority were requested to appear before the Department, and every effort was made to deal with them directly, and to ascertain whether there had been any unlawful combinations falling within the terms of the statute, yet it does not appear that the Department was ever placed in possession of any facts which justified Peterson's dismissal as a contractor, and which could be held as sufficient evidence to submit to Congress in support of such action.

It is to be noted that the acts charged upon Peterson as a violation of section 250 of the postal code were all done and committed previously to the adoption of the code, and, if punishable at all, could only have been punished under the old law.

Again, the majority cite section 247 of the postal code in the following words:

That any postmaster or other officer of the Post-Office Department who shall affix his signature to the certificate of sufficiency of guarantors or sureties before the guarantee or contract is signed by the guarantors or sureties, or shall knowingly make any false or illusory certificate, shall be forthwith dismissed from office, and shall be

deemed guilty of a misdemeanor, and shall, on conviction thereof, be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both.

They charge that, notwithstanding the stringency of this act, "postmasters have, with utter recklessness, ignored, or with corrupt design, in multitudes of instances, given certificates of sufficiency of guarantors or sureties that were false and illusory, so that probably a majority of the bonds accompanying bids for contracts are insufficient and worthless;" and "that the guilt and negligence of postmasters in this connection must have been known to Mr. Creswell and Mr. Smith, if they are credited with even ordinary fidelity and intelligence of the duties of their position."

The ignorance which could permit such an accusation becomes inexcusable when the facts are made known. Section 247 of the Postal Code is the codification of section 3 of the act of April 27, 1872, and never had any sanction of law until the passage of the last-named act.

This provision was inserted in the act of April 27, 1872, to prevent fraudulent certificates by postmasters and other officers of the Department, and until its passage there was no law by which such fraudulent acts could be punished. Previously to that time every precaution had been taken to obtain proper and truthful certificates.

In the advertisement of the great letting of 1871, and the several re-advertisements thereof, it was required that all the great routes should be certified only by postmasters in charge of the most important offices, in the hope that they would be deterred by fear of losing their offices from making false certificates. This was found to be insufficient, and thereupon the third section of the act of April 27, 1872, already referred to, was enacted. The resignation of General Giles A. Smith took effect on October 16, 1871; long before the passage of the act last named. Furthermore, all the false certificates during the lettings of the years 1870 and 1871 were also made before the passage of this law.

The lettings of 1872 and 1873 were for the middle and eastern sections, where there are but few routes which are let after advertisement, service being mainly by railroad, and but little trouble was had with the certificates of those years. Mr. Creswell resigned on June 24, 1874, and surrendered the Department to his successor on July 6, following. It is, then, difficult to conceive how either he or General Smith can be held responsible for the execution of a law which was not in force until after the latter had resigned his office, and until after all the false certificates complained of in connection with the lettings of 1870 and 1871 had been made.

The next allegation on the part of the majority against Postmaster-General Creswell is that he "established service at great expense over unnecessary routes without sufficient reason," and that "at great cost he increased the service on routes already established, profiting thereby not the people whose money was consumed, but simply the contractor and his friends."

As to the first branch of this allegation, it may be said that the Post-Office Department does not establish any new route. All routes are established by law. The testimony does not show that service was put upon any established route by Mr. Creswell that the public interest did not require.

The routes from Washington to Norfolk, and from Baltimore to Fredericksburgh were, when established, deemed of sufficient importance to justify the small expenditures made thereon; and at least one of them, to wit, that from Baltimore to Fredericksburgh, is still in operation and growing in importance.

Direct issue is taken with the assertion of the majority that Mr. Creswell increased the service at great cost on routes already established, in the interest of the contractors, and not in the interest of the people. The majority seem to think that an avaricious and disappointed contractor in the person of Reeside, and the unsupported testimony of James L. Fiske and Special Agent Underwood, who, it is manifest, were at least sympathizers with disappointed contractors, are sufficient to outweigh the great mass of testimony from the people and their representatives, which the Department requires before increasing the service on any route.

Reeside is discredited out of his own mouth; for he admits that he was a speculator in mail-contracts, and actually sold his bids and influence as he would sell any other marketable commodity. Underwood, on oath, asserts, in his superserviceable zeal, that no steps were ever taken by the Department to engage the services of the Oregon and California Railroad Company, and is afterward obliged, with humiliation, to retract when confronted with his own letter, wherein he confessed that he had been directed, as the representative of the Department, to make proper application to the company, and that, having done so, no less a personage than himself had met with a flat refusal. And again, when he assumes the role of censor upon his superior officers, and criticises their action, asserting that he knew of no law to justify it, he is once more obliged to bow himself with shame when the broad page of the statute granting an express authority is spread before his obfuscated vision.

Witnesses who are thus self-contradicted of venality, ignorance, and inexcusable loss of memory, and who are, besides, contradicted on material points by the other witnesses and by the record, cannot be relied upon to overthrow the voice of the people and their representatives as to the wants of the public service.

The majority have referred to certain routes as sustaining their assertion. To these we will refer in detail, so far as we may have authentic information at hand.

ROUTE 15414—WALLA WALLA TO MISSOULA.

When Mr. Creswell came into office he found this route operated three times a week by L. H. Hirshfield, contractor, at a cost of \$65,000. On September 25, 1869, he reduced the service to once a week, and the pay to \$23,000. The service was in due time advertised for once a week, and was let regularly, under the law, on July 26, 1870, to C. C. Huntley, at his bid of \$22,900. On December 22, 1870, an order was passed restoring the service to three times a week, and increasing the compensation \$41,754. This was not done, however, until after a spirited contest between the people of that section and the Department. The increase was urged by petitions representing 1,293 citizens of Oregon and the Territories of Montana and Washington, and by strong letters from the following-named gentlemen: H. D. Washburn, surveyor-general Montana Territory; G. G. Synes, associate justice supreme court; William B. Cutter, postmaster and post-trader, Fort Shaw, Mont.; William F. Wheeler, United States marshal, Montana Territory; L. B. Lyman, registrar United States land-office, Helena, Mont.; R. F. May, receiver United States land-office, Helena, Mont.; L. B. Church, assessor internal revenue; Hiram Knowles, associate justice supreme court; A. J. Simmons, chairman republican central territorial committee; E. S. Stackpole, postmaster, Deer Lodge City; Ben R. Dilles, postmaster, Louisville, Mont.; M. M. McCauley, agent for the

Blackfeet; B. F. Potts, governor of Montana; James M. Cavanaugh, Delegate from Montana; George H. Williams, Senator from Oregon, and S. Garfielde, Delegate from Washington Territory. And when the Department was again about to reduce the service, it was retained upon the urgent request of G. A. Cass, president of the Northern Pacific Railroad Company; William Windom, Senator from Minnesota; S. Garfielde, Delegate from Washington Territory; and William H. Clagitt, Delegate from Montana Territory, all of whom united in representing to the Department that the Northern Pacific Railroad had actually placed under contract and entered upon the construction of more than two hundred miles of its track over the line of this route.

ROUTE 16622—KELTON TO THE DALLES.

This route was let on July 26, 1870, in strict accordance with law, to J. W. Parker, Owen Tuller, and L. Smalley Barlow, for six times a week, at \$192,000 per annum. On June 17, 1871, the service was increased one trip a week, at an additional cost of \$32,000. It was warmly advocated by S. Garfielde, Delegate from Washington Territory; George H. Williams, Senator from Oregon; James L. Reynolds, editor Statesman, Boise City, Idaho; John R. McBride, member of Congress from Oregon; H. W. Corbett, Senator from Oregon; and J. K. Shafer, Delegate from Washington Territory. The increase of service was recommended by S. A. Merritt, Delegate from Idaho Territory; James K. Kelly, Senator from Oregon; James H. Slater, member of Congress from Oregon; and S. Garfielde, Delegate from Washington Territory.

ROUTES 17032, KIT CARSON TO SANTA FÉ; 17401, SANTA FÉ TO EL PASO; 17404, MESILLA TO LOS ANGELES.

This is the great southern overland route, and upon it depended entirely the supply of mail-matter for New Mexico and Arizona from both east and west. Mr. Creswell found the service to be six times a week from Phil Sheridan to Santa Fé; three times a week from Santa Fé to El Paso; and three times a week from Mesilla to Los Angeles. In the advertisement of 1869 he endeavored to reduce the service from Mesilla to Los Angeles to twice a week, and the original letting of 1870 was for that number of trips. As the Kansas Pacific Railroad was extended westward, the importance of this route increased, and upon the urgent demand of the Delegates, Representatives, and Senators from that entire section the service was increased to seven times a week from Kit Carson to El Paso, and was restored to three times a week from Mesilla to Los Angeles. This action was taken upon the recommendation of John Taffe, M. C. from Kansas; D. P. Lowe, M. C. from Kansas; Erastus Wells, M. C. from Missouri; R. C. McCormick, Delegate from Arizona; C. Schurz and Frank P. Blair, Senators from Missouri; P. W. Hitchcock and T. W. Tipton, Senators from Nebraska; J. Frank Chaves, Delegate from New Mexico; J. B. Chaffee, Delegate from Colorado; H. E. Havens, M. C. from Missouri; Andrew King, M. C. from Missouri; J. R. McCormick; E. M. McCook, governor of Colorado; J. C. Parker, M. C. from Missouri; G. A. Finkelnburg, M. C. from Missouri; S. S. Burdette, M. C. from Missouri; J. G. Blair, M. C. from Missouri; S. C. Pomeroy and A. Caldwell, Senators from Kansas; J. R. West, Senator from Louisiana; George E. Spencer, Senator from Alabama; E. G. Ross, Ex-Senator from Kansas; James W. Nye and William M. Stewart, Senators

from Nevada; J. W. Flanagan, Senator from Texas; R. T. Van Horn, M. C. from Missouri; William T. Clark, M. C. from Texas; E. Degener, M. C. from Texas; G. W. Whitmore, M. C. from Arkansas; C. Cole, Senator from California; E. Casserly, Senator from California; S. B. Axtell, M. C. from California; James A. Johnson, M. C. from California; and A. A. Sargent, M. C. from California; also by numerous petitioners residing at San Diego, Cal., and along the line of the route, and by George J. Clark, postmaster at San Diego, and by C. F. Baldwin, assistant superintendent railway mail service of the Post-Office Department.

ROUTE 14773—OROVILLE TO PORTLAND, OREGON.

After a long contest and many ineffectual efforts to secure a contract at a lower price, this route was finally, on October 13, 1870, let to Bradley Barlow, at \$134,000 per annum for daily service. A question has been raised as to the action of the Postmaster-General in letting this contract at the price named rather than to a higher bidder (Charles M. Cartwright) at \$170,000. The Postmaster-General claimed to act under the joint resolution of Congress of May 5, 1870, and by his decision saved to the Government, during the four years the contract was to run, the sum of \$144,000. We have reviewed his action, and do not hesitate to say that his course is not only justifiable but commendable. On May 3, 1871, this service was changed to a new line up the valley of the Sacramento River at a net increase of \$8,861; and on the 8th June, 1872, was expedited at an additional cost of \$45,945 per annum.

This action was taken upon the recommendations of A. M. Rosborough, district judge; A. E. Raynes, postmaster at Yreka; W. H. Bahney, postmaster at Red Bluffs; L. M. Foulke, superintendent internal revenue; A. N. Towne, general superintendent Central Pacific Railroad; Governor Leland Stanford, president of same; H. W. Corbett, Senator from Oregon; James K. Kelly, Senator from Oregon; S. Garfielde, Delegate from Washington; C. Cole and E. Casserly, Senators from California; James H. Slater, member of Congress from Oregon; S. O. Houghton, member of Congress from California; A. A. Sargent, member of Congress from California, and J. M. Coghlin, member of Congress from California. It was also requested by joint resolution of the legislature of California, formally presented to both houses of Congress, and transmitted officially to the Department, and by many petitions of private individuals. The foregoing list, it is believed, includes every Delegate, Representative, and Senator from the Pacific coast, of both political parties.

These routes illustrate how exacting the Department was in the way of recommendations before increasing the service; and from the examinations that we have been able to make we have not discovered any case in which an increase of service was ordered without an array of recommendations equally as strong. Indeed, there is no alleged irregularity in letting contracts, changing routes, accelerating the speed, or increasing the number of trips, spoken of by any of the witnesses, that is not completely justified by the facts, when fully developed, and the law, as will appear from the record in the various cases from page 587 to 631, inclusive. If the Department is to be administered with a due regard to the desires and interests of the people, it is impossible that any clearer demonstration of those desires and interests can be given than in the cases already cited. Although the increase of service in these cases involved a considerable expenditure of money, in our opin-

ion the Department would have been censurable under the circumstances if it had longer persisted in its refusal.

Again, the majority complain that payments were made to Contractors Sawyer, Peterson, and Kittle without full formal proof and on fraudulent certificates. There is no law or regulation of the Department which forbids the payment of moneys at any time after the same may have been earned. The Department, to be sure, reserves to itself the right to postpone payment until the second month of the subsequent quarter, but has never in practice demanded so long a delay where the proof could be made up. In some cases, and especially after the panic of 1873, the Department made partial payments to contractors who were executing a continuous contract (and only to such) without waiting for full proof for the third month of the quarter, full proof for the first and second months being in. Payment was made for the quarter, and delinquencies, if any, were charged against the next quarter.

This was done at a time when the contractors were unable to procure money to carry on the service from the banks or any other source, and seemed to be necessary in order to prevent a disastrous interruption in the transmission of the mails. The practice was discontinued as soon as the embarrassments resulting from the crisis of 1873 had passed away. In the spring of 1874, Postmaster-General Creswell passed an order forbidding thenceforth any payments without full proof for the entire quarter; and since then there has been no departure from the terms of that order. No case has been shown where the Government has lost one dollar by any such payment, or where any money was paid before it was fully earned.

If, on the other hand, Sawyer, Peterson, and Kittle perpetrated frauds upon the Department by obtaining false certificates from postmasters when the service had not been performed, and the facts could be made to appear by satisfactory proof, the Government has always been in position not only to secure indemnity by retaining a sufficient amount of their mail-pay, but also to punish them to the extent of the law. It does not appear that any evidence of such frauds was ever at the command of Mr. Creswell, nor, indeed, does it appear that any such frauds were ever perpetrated during his term of office. We cannot doubt that just punishment would have been meted out by him to all offenders if their guilt had been duly established.

The undersigned dissent most decidedly from the conclusion of the majority of the committee, that Postmaster-General Creswell either violated the law or was extravagant in his expenditures, or negligent in the supervision of the affairs of the Department, or failed to expose or prosecute violations of law during his administration. On the contrary, they are satisfied that his administration was marked by a laborious and faithful discharge of his duties, by a due economy in expenditures, and by a notable vigilance in the exposure and prosecution of violations of the law. Mr. Creswell inaugurated the opposition to straw-bids which, after six years, has just culminated in their final overthrow. The victory has not been gained by a single effort, but by repeated attempts, resulting in successes from time to time more or less signal. That his administration was not extravagant is conclusively established by the facts that, during the whole time he was in office, he always kept within the limit of his appropriations; and when he retired from the Department he left on hand a balance, after settlement of all liabilities to June 30, 1874, of \$1,834,067.81; and this after covering into the Treasury unexpended balances for the years 1870, 1871, and 1872 amounting to \$4,376,556.01. In our opinion, the censure proposed by

the majority upon the administration of Mr. Creswell is wholly without justification by anything appearing in the testimony or in the records or files of the Department. Nothing short of the most embittered partisanship, totally blind to all sense of justice toward a political opponent, can prompt such a suggestion.

The Committee on the Post-Office and Post-Roads have so abandoned themselves to the accomplishment of political ends, under cover of this investigation, that they have neglected their legitimate business of preparing and presenting to the House appropriate and necessary legislation touching the postal service. In the matter of compensation to railways for transporting the mails, legislation is needed that, we are satisfied, would save the Government millions of dollars. Not one moment of time has been given by the committee to this question, and but little to any other question of legislation; but day after day and week after week and month after month the committee have been taking testimony, nominally to ascertain if a system of straw-bidding existed, when the Department has been asking for legislation to prevent it for six years past, but really, by fair means or foul, to gather sufficient poison from the slanderous tongues of an army of disappointed and malignant men wherewith to taint the good name of some one who has held, or now holds, a position in the Department. We congratulate ourselves and the country that this investigation is drawing to a close, and we venture to hope that the substantial and vital interests of a patient though suffering people may no longer be sacrificed to the electioneering devices of the democratic party.

This investigation, by the testimony which it has developed, has justified those whom the majority, by their words, would fain condemn. While we would gladly forget the spirit which instigated and carried it on, we rejoice that the record of its proceedings must stand and abide the judgment of an impartial public. No fair man of any party will refuse, after the heat of the present political contest shall have passed away, to admit that the Department has been vindicated for the fourth time, in spite of all its enemies; and if hereafter the historian shall be curious enough to travel through the volume of testimony submitted by the committee and gather therefrom the animus of the majority, he will be struck with wonder and amazement, not to say indignation, when he sees how unfair have been the methods of investigation to which they have resorted, and with what premeditated malice they have sought to blacken and destroy the reputations of honorable men to serve the base uses of party.

J. G. CANNON.

S. F. MILLER.

W. H. H. STOWELL.

EXHIBIT A.

[H. R. 609.—42d Congress, 2d Session.—In the House of Representatives, December 11, 1871; read twice, referred to the Committee on the Post-Office and Post-Roads, and ordered to be printed.]

Mr. FARNSWORTH, on leave, introduced the following bill:

A BILL relating to proposals and contracts for the transportation of the mails, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person or persons bidding for the transportation of the mails upon any route which may be advertised to be let, and receiving an award of the contract for such service, who shall refuse or fail to enter into contract with the Post-

master-General, in due form, and perform the service described in his or their bid or proposal; or who shall withdraw, or attempt to withdraw, after the day appointed for the opening thereof, any bid or proposal he or they may have made for such service, shall, on conviction thereof, be deemed guilty of a misdemeanor, and be punished by a fine not exceeding ——— dollars, and by imprisonment for a term not exceeding ——— months.

SEC. 2. That no bidder for carrying the mails shall be released from his obligation under his bid or proposal, notwithstanding an award made to a lower bidder, until a contract for the designated service shall have been duly signed by such lower bidder and accepted, and the service entered upon and performed by the contractor, to the satisfaction of the Postmaster-General.

SEC. 3. That the Postmaster-General shall have power to reject bids for mail-service which shall appear to him, upon due investigation, to be fraudulent or fictitious.

SEC. 4. That after a regular bidder or contractor shall have failed, either to enter into contract, or to fulfill his contract when made, the Postmaster-General shall proceed to contract, on the best obtainable terms, with any responsible party, whether a bidder or not, for the performance of the service for the residue of the contract term or any part thereof.

SEC. 5. That the provision of the fourth section of the act of March third, eighteen hundred and seventy-one, requiring certified checks or drafts to accompany bids, be so amended as to fix the amount of the certified check or draft to accompany bids for service on each route at five per centum of the last regular contract price per annum on said route where the contract price exceeded five thousand dollars.

SEC. 6. That in case of the sickness, or unavoidable absence from his office, of the postmaster of any money-order post-office, he may, with the approval of the Postmaster-General, authorize the chief clerk, or some other clerk employed therein, to act in his place, and to discharge all the duties required by law of such postmaster: *Provided*, That the official bond given by the principal of the office shall be held to cover and apply to the acts of the person appointed to act in his place in such cases: *And provided further*, That such acting officer shall, for the time being, be subject to all the liabilities and penalties prescribed by law for the official misconduct, in like cases, of the postmaster for whom he shall act.

SEC. 7. That the postmaster of every city where branch post-offices or stations are established and in operation, subject to his supervision, is hereby authorized, under the direction of the Postmaster-General, to issue, or cause to be issued, by any of his assistants or clerks in charge of branch post-offices or stations, postal money-orders payable at his own or at any other money-order office, or at any branch post-office or station of his own, or of any other money-order office, as the remitters thereof may direct; and that the postmaster and his sureties shall in every case be held accountable upon his official bond for all moneys received by him or his designated assistants or clerks in charge of stations from the issue of money-orders under the provisions of this act, and for all moneys which may come into his or their hands, or be placed in his or their custody by reason of the transaction by them of money-order business. And all the provisions of law now in force respecting the issue and the payment of money-orders, and the disposal of money-order funds in the custody of postmasters, shall apply to all money-orders issued under the authority given by this act, and to all moneys received from the issue thereof.

SEC. 8. That the Postmaster-General is hereby authorized to cause to be placed to the credit of the Treasurer of the United States, for the service of the Post-Office Department, the net proceeds of the money-order business, and that the receipts of the Post-Office Department, derived from this source, during each quarter, shall be entered by the Auditor of the Treasury for the Post-Office Department, in the accounts of said Department, under the head of "Revenue from money-order business."

SEC. 9. That all acts and parts of acts inconsistent with this act be, and the same are hereby, repealed.

[42d Congress, 2d Session.—House of Representatives, January 15, 1872.—Globe, 376.]

MAIL-CONTRACTS.

Mr. FARNSWORTH. I ask unanimous consent to introduce the following resolution.

The Clerk read as follows:

Resolved, That the Committee on the Post-Office and Post-Roads are hereby directed to inquire into the matter of contracts recently made by the Post-Office Department for the transportation of the mails in the United States and Territories, and report the facts to the House, the committee having power to send for persons and papers and examine witnesses under oath.

Mr. FARNSWORTH. I desire to say that the Postmaster-General requests that this investigation shall be made in justice to himself.

The resolution was adopted.

[42d Congress, 2d Session.—House of Representatives, March 11, 1872.—Globe, pp. 1584-5.]

POST-OFFICE CONTRACTS.

Mr. FARNSWORTH. I ask unanimous consent to report from the Committee on the Post-Office and Post-Roads a bill in reference to contracts for carrying the United States mails. I desire permission to say to the House that it is very important to the Post-Office Department and to the Treasury that this bill may be passed now, in order that the Department may have the benefit of it at its lettings of the 1st of next month. The bill has been agreed to unanimously by the Committee on the Post-Office and Post-Roads, and I ask that it may now be received for consideration.

The SPEAKER. The bill will be read, after which objections will be in order.

The bill was read. The first section provides that any person or persons bidding for the transportation of the mails upon any route which may be advertised to be let, and receiving an award of the contract for such service, who shall willfully refuse or fail to enter into a contract with the Postmaster-General in due form to perform the service described in his or their bid or proposal, shall be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding \$5,000, and by imprisonment for a term not exceeding twelve months.

The second section provides that each bid for carrying the mail shall hereafter have affixed to it an oath of the bidder, taken before a person qualified to administer oaths, that he has the ability pecuniarily to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into a contract and perform the service in case his bid is accepted, and that the signatures of his guarantors are genuine, and that he believes said guarantors pecuniarily responsible for and able to pay all damages the United States shall suffer by reason of the bidder's failing to perform his obligation as such bidder.

The third section provides that any postmaster who shall affix his signature to a certificate of sufficiency of guarantors before the guarantee is signed by the guarantors shall be deemed guilty of a misdemeanor, and shall, on conviction thereof, be punished by a fine not exceeding \$1,000, or by imprisonment not exceeding one year, or both, and shall be forthwith dismissed from office.

Section 4 provides that no bidder for carrying the mails shall be released from his obligation under his bid or proposition, notwithstanding an award be made to a lower bidder, until a contract for the designated service shall have been duly signed by such bidder, and accepted, and the service entered upon by the contractor to the satisfaction of the Postmaster-General.

The fifth section empowers the Postmaster-General to reject bids for mail-service which shall appear to him upon due investigation to be exorbitant, fraudulent, or fictitious; but in all such cases he is to report his action, with the reasons therefor, to Congress at its next session thereafter.

The sixth section provides that after any regular bidder or contractor for the transportation of the mails upon any route shall have failed to enter into contract and commence the performance thereof as herein provided, the Postmaster-General shall proceed to contract with the next lowest bidder for such service, who shall enter into a contract and perform the same unless the Postmaster-General can contract upon better terms for the Government with some other responsible party, in which case he is authorized so to do.

The seventh section repeals the provision of the fourth section of the act of March 3, 1871, requiring certified checks or drafts to accompany bids.

The eighth section provides that in case of the sickness or unavoidable absence from his office of the postmaster of any money-order post-office, he may, with the approval of the Postmaster-General, authorize the chief clerk, or some other clerk employed therein, to act in his place, and to discharge all the duties required by law of such postmaster; provided that the official bond given by the principal of the office shall be held to cover and apply to the acts of the person appointed to act in his place in such cases; and provided further, that such acting officer shall for the time being be subject to all the liabilities and penalties prescribed by law for the official misconduct in like cases of the postmaster for whom he shall act.

The SPEAKER. If there be no objection, the bill will be considered as passed.

Mr. POTTER. Before the bill is passed, I desire to make a suggestion to the chairman of the Committee on the Post-Office and Post-Roads, [Mr. Farnsworth.] The existing law provides that for sufficient reasons the Postmaster-General may release the sureties of a postmaster and accept new sureties; but there is no such provision in respect to the sureties of persons who have contracted to carry the mails. I desire, therefore, to suggest to the gentleman that the following provision be added to this bill as a new section:

SEC. 9. *And be it further enacted*, That the Postmaster-General, whenever he may deem it consistent with the public interest, may accept new surety upon any contract existing or hereafter made for carrying the mails, in substitution for, and release of, any existing surety.

Mr. FARNSWORTH. The gentleman from New York [Mr. Potter] has shown me this amendment, and I think it eminently proper. I have no authority from the committee to accept it as a part of this bill, but I certainly shall not object to it.

The SPEAKER. If there be no objection, the amendment proposed by the gentleman from New York will be considered as incorporated in the bill, and the bill so amended passed.

There was no objection, and the bill (H. R. No. 1930) was passed.

[H. R. 1930.—42d Congress, 2d session.—In the Senate of the United States, March 13, 1872. Read twice and referred to the Committee on Post-Offices and Post-Roads.]

AN ACT relating to proposals and contracts for transportation of the mails, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person or persons bidding for the transportation of the mails upon any route which may be advertised to be let, and receiving an award of the contract for such service, who shall wilfully refuse or fail to enter into contract with the Postmaster-General, in due form, and perform the service described in his or their bid or proposal, shall be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars, and by imprisonment for a term not exceeding twelve months.

SEC. 2. That each bid for carrying the mail shall hereafter have affixed to it the oath of the bidder, taken before a person qualified to administer oaths, that he has the ability pecuniarily to fulfil his obligations, and that the bid is made in good faith and with the intention to enter into contract and perform the service, in case his bid shall be accepted; and that the signatures of his guarantors are genuine; and that he believes said guarantors pecuniarily responsible for and able to pay all damages the United States shall suffer by reason of the bidder's failing to perform his obligations as such bidder.

SEC. 3. That any postmaster who shall affix his signature to the certificate of sufficiency of guarantors before the guaranty is signed by the guarantors shall be deemed guilty of a misdemeanor, and shall, on conviction thereof, be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both, and shall be forthwith dismissed from office.

SEC. 4. That no bidder for carrying the mails shall be released from his obligation under his bid or proposal, notwithstanding an award made to a lower bidder, until a contract for the designated service shall have been duly signed by such lower bidder and accepted, and the service entered upon by the contractor to the satisfaction of the Postmaster-General.

SEC. 5. That the Postmaster-General shall have power to reject bids for mail service which shall appear to him, upon due investigation, to be exorbitant, fraudulent, or fictitious; but in all such cases he shall report his action, and the reasons therefor, to Congress at its next session thereafter.

SEC. 6. That after any regular bidder or contractor for the transportation of the mail upon any route shall have failed to enter into contract, and commence the performance thereof as herein provided, the Postmaster-General shall proceed to contract with the next lowest bidder for such service who will enter into a contract and perform the same, unless the Postmaster-General can contract upon better terms for the Government with some other responsible party, in which case he is hereby authorized so to do.

SEC. 7. That the provision of the fourth section of the act of March third, eighteen hundred and seventy-one, requiring certified checks or drafts to accompany bids, be, and the same is hereby, repealed.

SEC. 8. That in case of the sickness, or unavoidable absence from his office, of the postmaster of any money-order post-office, he may, with the approval of the Postmaster-General, authorize the chief clerk or some other clerk employed therein to act in his place, and to discharge all the duties required by law of such postmaster: *Provided*, That the official bond given by the principal of the office shall be held to cover and apply to the acts of the person appointed to act in his place in such cases: *And provided further*, That such acting officer shall, for the time being, be subject to all the liabilities and penalties prescribed by law for the official misconduct, in like cases, of the postmaster for whom he shall act.

SEC. 9. That the Postmaster-General, whenever he may deem it consistent with the public interest, may accept new surety upon any contract existing, or hereafter made, for carrying the mails, in substitution for and release of any existing surety.

Passed the House of Representatives March 11, 1872.

Attest:

EDWARD MCPHERSON,
Clerk.

[H. R. 1930.—42d Congress, 2d session.—In the Senate of the United States, April 3, 1872. Considered as in Committee of the Whole, amended, and ordered to be printed as amended. Strike out the words in [brackets] and insert the words printed in *italics*.]

AN ACT relating to proposals and contracts for transportation of the mails, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person or persons bidding for the transportation of the mails upon any route which may be advertised to be let, and receiving an award of the contract for such service, who shall [wilfully] *wrongfully* refuse or fail to enter into contract with the Postmaster-General, in due form, and perform the service described in his or their bid or proposal, shall be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars, and by imprisonment for a term not exceeding twelve months.

SEC. 2. That each bid for carrying the mail shall hereafter have affixed to it the oath of the bidder, taken before [a person] *an officer* qualified to administer oaths, that he has the ability pecuniarily to fulfil his obligations, and that the bid is made in good faith and with the intention to enter into contract and perform the service, in case his bid shall be accepted; and that the signatures of his guarantors are genuine; and that he believes said guarantors pecuniarily responsible for and able to pay all damages the United States shall suffer by reason of the bidder's failing to perform his obligations as such bidder.

SEC. 3. That any postmaster or other officer who shall affix his signature to the certificate of sufficiency of guarantors or sureties before the guaranty or contract is signed by the guarantors or sureties, or shall knowingly make any false or illusory certificate, shall be forthwith dismissed from office, and shall be deemed guilty of a misdemeanor, and shall, on conviction thereof, be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both, [and shall be forthwith dismissed from office.]

SEC. 4. That no bidder for carrying the mails shall be released from his obligation under his bid or proposal, notwithstanding an award made to a lower bidder, until a contract for the designated service shall have been duly [signed] *executed* by such lower bidder and his sureties and accepted, and the service entered upon by the contractor to the satisfaction of the Postmaster-General.

[SEC. 5. That the Postmaster General shall have power to reject bids for mail service which shall appear to him, upon due investigation, to be exorbitant, fraudulent, or fictitious; but in all such cases he shall report his action, and the reasons therefor, to Congress at its next session thereafter.]

SEC. [6] 5. That after any regular bidder or contractor for the transportation of the mail upon any route shall have failed to enter into contract, and commence the performance thereof as herein provided, the Postmaster-General shall proceed to contract with the next lowest bidder for such service who will enter into a contract and perform the same, unless the Postmaster-General [can contract upon better terms for the Government with some other responsible party, in which case he is hereby authorized so to do.] *shall consider such bid too high; in which case he shall re-advertise such service.*

[SEC. 7. That the provision of the fourth section of the act of March third, eighteen hundred and seventy-one, requiring certified checks or drafts to accompany bids, be, and the same is hereby, repealed.]

SEC. 6. *That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, nor less than five per centum of the amount of one year's pay proposed in such bid if the bid be for new service. In case any bidder, on being awarded any such contract, shall fail to enter into the same with good and sufficient sureties, according to the terms on which such bid was made and accepted, such bidder shall forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury; but if such contract shall be duly and seasonably entered into as aforesaid, such draft or check so deposited shall be returned to the bidder.*

SEC. [8] 7. That in case of the sickness, or unavoidable absence from his office, of the postmaster of any money-order post-office, he may, with the approval of the Postmaster-General, authorize the chief clerk or some other clerk employed therein to act in his place, and to discharge all the duties required by law of such postmaster: *Provided*, That the official bond given by the principal of the office shall be held to cover and apply to the acts of the person appointed to act in his place in such cases: *And provided further*, That such acting officer shall, for the time being, be subject to all the liabilities and penalties prescribed by law for the official misconduct, in like cases, of the postmaster for whom he shall act.

SEC. [9] 8. That the Postmaster-General, whenever he may deem it consistent with the public interest, may accept new surety upon any contract existing, or hereafter made, for carrying the mails, in substitution for and release of any existing surety.

Passed the House of Representatives March 11, 1872.

Attest:

EDWARD McPHERSON, *Clerk.*

Amendment proposed by Mr. Ramsey, viz: Insert as an additional section the following:

SEC. —. That the Postmaster-General is hereby authorized to cause to be placed to the credit of the Treasurer of the United States, for the service of the Post-Office Department, the net proceeds of the money-order business; and that the receipts of the Post-Office Department, derived from this source, during each quarter, shall be entered, by the Auditor of the Treasury for the Post-Office Department, in the accounts of said Department, under the head of "Revenue from money-order business."

Amendment intended to be proposed by Mr. Casserly, viz: At the end of section six add the following:

And in all cases of regular contracts hereafter made for a sum exceeding five thousand dollars per annum, the contract shall, in the discretion of the Postmaster-General, be continued in force beyond its express terms for a period not exceeding six months, until a new contract, with the same or other contractors, shall be made by the Postmaster-General.

[42d Congress, 2d Session.—Senate, April 3, 1872.]

MAIL-CONTRACTS.

Mr. RAMSEY. I now renew the request that I made a moment since, that the Senate take up House bill No. 1930, on the subject of straw-bidding. It was up some days ago.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 1930) relating to proposals and contracts for transportation of the mails, and for other purposes. It provides that any person or persons bidding for the transportation of the mails upon any route which may be advertised to be let, and receiving an award of the contract for such service, who shall willfully refuse or fail to enter into contract with the Postmaster-General, in due form, and perform the service described in his or their bid or proposals, is to be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding \$5,000, and by imprisonment for a term not exceeding twelve months.

Each bid for carrying the mail is hereafter to have affixed to it the oath of the bidder, taken before a person qualified to administer oaths, that he has the ability pecuniarily to fulfill his obligations, and that the bid is made in good faith and with the intention to enter into contract and perform the service in case his bid shall be accepted; and that the signatures of his guarantors are genuine, and that he believes the guarantors pecuniarily responsible for and able to pay all damages the United States shall suffer by reason of the bidder's failing to perform his obligation as such bidder.

Any postmaster who shall affix his signature to the certificate of sufficiency of guarantors before the guarantee is signed by the guarantors is to be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding \$1,000, or by imprisonment not exceeding one year, or both, and be forthwith dismissed from office.

No bidder for carrying the mails is to be released from his obligation under his bid or proposal, notwithstanding an award made to a lower bidder, until a contract for the designated service shall have been duly signed by such lower bidder and accepted and the service entered upon by the contractor to the satisfaction of the Postmaster-General.

The Postmaster-General is to have power to reject bids for mail-service which shall appear to him, upon due investigation, to be exorbitant, fraudulent, or fictitious; but in all such cases he shall report his action and the reasons therefor to Congress at its next session thereafter.

After any regular bidder or contractor for the transportation of the mail upon any route shall have failed to enter into contract and commence its performance, the Postmaster-General is to proceed to contract with the next lowest bidder for such service who will enter into a contract and perform it, unless the Postmaster-General can contract upon better terms for the Government with some other responsible party, in which case he is authorized so to do.

The seventh section repeals the provision of the fourth section of the act of March 3, 1871, requiring certified checks or drafts to accompany bids.

In case of the sickness or unavoidable absence from his office of the postmaster

of any money-order post-office, he may, with the approval of the Postmaster-General, authorize the chief clerk, or some other clerk employed therein, to act in his place, and to discharge all the duties required by law of such postmaster; but the official bond given by the principal of the office is to be held to cover and apply to the acts of the person appointed to act in his place in such cases; and such acting officer is, for the time being, to be subject to all the liabilities and penalties prescribed by law for the official misconduct in like cases of the postmaster for whom he shall act.

The Postmaster-General, whenever he may deem it consistent with the public interest, may accept new surety upon any contract existing, or hereafter made, for carrying the mails, in substitution for and release of any existing surety.

The Committee on Post-Offices and Post-Roads report the bill with two amendments. The amendments were in section 6, line 3, to strike out the word "and" and insert the word "or," and in line 6, after the word "unless," to insert the words "such bid being exorbitant."

The VICE-PRESIDENT. If there be no objection, these amendments will be regarded as agreed to.

Mr. RAMSEY. I hope they will be rejected.

Mr. EDMUNDS. I propose to offer several amendments to perfect the bill, which will take the place of these amendments.

The VICE-PRESIDENT. Then, if there be no objection, these amendments will be rejected, and they are rejected.

Mr. EDMUNDS. With the assent of my friend from Minnesota, I move to amend the bill in section 1, line 6, by striking out the word "willfully" and inserting the word "wrongfully."

The amendment was agreed to.

Mr. EDMUNDS. In section 2, line 3, I move to strike out the words "a person," at the beginning of the line, and to insert the words "an officer."

The amendment was agreed to.

Mr. EDMUNDS. In section 3, line 1, I move to amend by inserting after the word "postmaster" the words "or other officer," so as to impose this penalty upon any certifying officer of the United States, requiring fidelity from him, instead of merely having it apply to the postmaster.

The VICE-PRESIDENT. The chairman of the Committee on Post-Offices and Post-Roads does not object to these amendments, and they will be regarded as agreed to, unless a division is demanded. This amendment is agreed to.

Mr. EDMUNDS. In the second line of the same section, after the word "guarantors," I move to insert the words "or sureties," which is merely a verbal amendment.

The amendment was agreed to.

Mr. EDMUNDS. In the third line of the same section, after the word "guarantee," I move to insert the words "or contract."

The amendment was agreed to.

Mr. EDMUNDS. After the word "guarantors" in the third line of the same section, I move to insert the words—which may possibly have more than a mere verbal application—"or shall knowingly make any false or illusory certificate, shall be forthwith dismissed from office, and;" so that the section will read:

"That any postmaster or other officer who shall affix his signature to the certificate of sufficiency of guarantors or sureties before the guarantee or contract is signed by the guarantors, or shall knowingly make any false or illusory certificate, shall be forthwith dismissed from office, and shall be deemed guilty of a misdemeanor," &c.

The amendment was agreed to.

Mr. EDMUNDS. After the word "guarantors," in the third line, if I have not already suggested it, the words "or sureties" should be inserted.

The amendment was agreed to.

Mr. EDMUNDS. Then in the sixth and seventh lines of the same section the words "and shall be forthwith dismissed from office" should be stricken out, as they are transposed to a more appropriate place in the section.

The amendment was agreed to.

Mr. EDMUNDS. In the fourth section, fourth line, I move to amend by striking out the word "signed," as applied to the Contract Office, and insert the word "executed," which has a broader definition.

The amendment was agreed to.

Mr. EDMUNDS. In the fifth line of the same section, after the word "bidder," I move to insert the words "and his sureties," which is also merely verbal.

The amendment was agreed to.

Mr. EDMUNDS. I now move to strike out the fifth section altogether, to which there was considerable opposition, which provides that the Postmaster-General shall have power to reject any bids for mail-service which appear to him on investigation to be exorbitant, fraudulent, or fictitious; which seems to leave him a discretion that the law has never designed to repose in him.

Mr. RAMSEY. I have no objection to the amendment.

Mr. TRUMBULL. I should like to inquire if he would not have that power anyhow. If he supposed the bids to be fraudulent, he certainly would not be justified in acting upon them.

Mr. EDMUNDS. If he supposed them to be fraudulent, that would be a doubtful question. If they were in fact fraudulent or forged—

Mr. TRUMBULL. If they should "appear to him to be fraudulent;" and that is the language of the act.

Mr. EDMUNDS. He does exercise the power now, but under pretty strong limitations, as he ought to, where he finds a bid is clearly and plainly a fictitious one, made by no person, merely put in in order to produce difficulty. He treats that as an entire nullity now; but if you provide by express provision of law to make him the final judge upon all these questions, then when you have a Postmaster-General, or any of his assistants who are connected with the Contract Office, who are not as attentive to their duties as the present administration, there will be constant suspicion and complaint that under cover of bids not being exactly what they ought to be, they will be rejected as fraudulent and contracts given to other persons; whereas when we make another amendment to the seventh section of the bill, which will take the place of this section in reality, we provide means by which every bid is subjected to an actual test almost as soon as made, and when made is subjected to the test of a deposit in a better form than the law now provides of guarantee for realty. So I think it altogether better that the fifth section should go out.

Mr. TRUMBULL. I shall not object to the striking out of the fifth section, but I wish to make one remark. It seems to me it would be clearly the duty of any officer connected with the making of a contract or the settlement of a claim, when it appeared to him to be a fraudulent contract or a fraudulent claim, to withhold the execution of it, and bring it, if necessary, to the notice of Congress. I think it would be the duty of an officer to take that responsibility, and not allow what appeared to him to be a fraudulent contract or claim to be consummated while he had that evidence before him, and think he would do that at any rate without this section; therefore I have no objection to its going out.

The VICE-PRESIDENT. The section is stricken out.

Mr. EDMUNDS. I move to amend the sixth section of the bill by striking out in lines 7, 8, and 9, after the words "Postmaster-General," the words, "can contract upon better terms for the Government with some other responsible party, in which case he is hereby authorized so to do," and to insert "shall consider such bid too high, in which case he shall re-advertise such service;" so that instead of reading as it does now, that he may contract upon better terms with any responsible party without an advertisement, it enables him, if a bid is exorbitant—in other words, if it is going to tax the public too heavily—to reject that bid, it being the one next above the lowest under this section, and to advertise the service again. I presume there is no objection to that on the part of anybody.

The amendment was agreed to.

Mr. EDMUNDS. Now I move to strike out the seventh section of the bill, in the following words:

"That the provision of the fourth section of the act of March 3, 1871, requiring certified checks or drafts to accompany bids, be, and the same is hereby, repealed."

And to insert in lieu thereof what I send to the desk and ask to have read.

The chief clerk read the substitute, as follows:

"That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of \$5,000, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per cent. of the amount of year's pay proposed in such bid if the bid be for new service. In case any bidder, on being awarded any such contract, shall fail to enter into the same with good and sufficient securities, according to the terms on which such bid was made and accepted, such bidder shall forfeit the amount so deposited to the Government, and the same shall forthwith be paid into the Treasury; but when such contract shall be duly and seasonably entered into as aforesaid, such draft or check so deposited shall be returned to the bidder."

Mr. EDMUNDS. That ought to be 5 per cent. instead of 10, the chairman tells me, and I modify the amendment by changing 10 per cent. to 5, where it occurs.

Mr. CORBETT. I think that that 10 per cent. should be stricken out entirely, for this reason: If the service amounts to \$50,000 this year, a man can bid to carry it for \$5,000 next year, and deposit the amount of 5 or 10 per cent. upon what he bids instead of on the contract of the year before.

Mr. EDMUNDS. No; my friend is mistaken.

Mr. CORBETT. I understood that the amendment as to the 10 per cent. provides that it shall be 10 per cent. upon his present bid.

Mr. EDMUNDS. The Senator is mistaken. It provides, as I now modify it, as it is

said that 10 per cent. is too high, that it shall be 5 per cent. of the service of the current year, and it shall also be 5 per cent. of his new bid, so that if he bids high above the last year's service he must put up the whole margin.

Mr. CORBETT. In addition?

Mr. EDMUNDS. In addition; but if he bids below he must put up 5 per cent. on the last year's service.

Mr. CORBETT. I did not understand the amendment, if that is the way it reads.

The amendment was agreed to.

[42d Congress, 2d Session, House of Representatives, April 4, 1872.]

POSTAL CONTRACTS AND STRAW-BIDS.

Mr. Farnsworth, by unanimous consent, reported from the Committee on the Post-Office and Post-Roads the evidence taken before the committee in reference to postal contracts and straw-bids, and moved that the report be printed, and that the testimony be laid upon the table. The motion was agreed to.

Mr. FARNSWORTH. I also ask permission that the minority of the committee on this question have the opportunity at some future time to present their views.

There was no objection; and it was so ordered.

[House of Representatives, Report No. 38, 42d Congress, 2d Session.]

CONTRACTS FOR TRANSPORTATION OF THE MAILS.

APRIL 4, 1872.—Laid on the table and ordered to be printed, with leave of the minority to submit their views.

Mr. FARNSWORTH, from the Committee on the Post-Office and Post-Roads, made the following report:

The Committee on the Post-Office and Post-Roads, who were instructed by resolution of the House of Representatives "to inquire into the matter of contracts recently made by the Post-Office Department for the transportation of the mails in the United States and Territories, and report the facts to the House, the committee having power to send for persons and papers, and examine witnesses under oath," respectfully report:

That, in obedience to said resolution, they have taken a large amount of testimony, having examined all persons as witnesses who were supposed to possess any knowledge of facts material and relating to the subject-matter of investigation. The committee have also procured copies from the Post-Office Department of all papers, bids, advertisements, &c., necessary to a full understanding and elucidation of the subject. The evidence thus taken covers and embraces nearly the whole period since the present Postmaster-General has occupied that position, and is herewith reported to the House.

From all the testimony the committee find the following facts and conclusions, viz:

For a number of years the Post-Office Department has been greatly plagued and embarrassed by a method of circumvention, or cheating, in bids or proposals for carrying the mails, known as "straw-bids." It is a modern invention, not extending back more than three or four administrations, but to such extent has the system come into use, that of late it has become almost impossible for the Department to obtain a contract for carrying the mail upon any of the most important stage-lines in the regular manner, *i. e.*, in pursuance of advertisement, bids, acceptance, &c., except at very exorbitant rates.

"Straw-bidding" consists in procuring some worthless or irresponsible person to make a proposal in due form for the service, for so small a sum as to insure the acceptance of the "bid" by the Department, it being the lowest. It is so low that the service cannot be rendered for it, and therefore it is certain to be below the bid of any responsible *bona-fide* bidder.

This "*straw-bid*" is usually procured by or in the interest of the party who is then performing the service, or of some party who desires to obtain the contract at a speculative rate, and who procures this "*straw*" or *sham* bid to prevent some genuine and responsible bidder, lower than himself, from obtaining it. And as the law makes it the duty of the Postmaster-General to "award the contract to the *lowest bidder*," (whose

bid is in due and proper form,) and as the acceptance of the one bid or proposal releases all the others, the result is that no contract is obtained for the service, and the Postmaster-General is then obliged, either to make the best bargain he can for the service without re-advertising, or make provision for the temporary service until he can re-advertise and let the contract for the term, (four years.)

An attempt to relieve the Department and cure the evil was made by Congress in 1870, by the adoption of the following joint resolution:

“[PUBLIC RESOLUTION—No. 31.]

“ A RESOLUTION authorizing the Postmaster-General to prescribe an earlier time for the execution of contracts by accepted bidders, and for other purposes.

“ Whereas in the instructions appended to an advertisement issued by the Postmaster-General on the thirtieth day of September, eighteen hundred and sixty-nine, inviting proposals for carrying the mails of the United States for four years, from the first July, eighteen hundred and seventy, in the States of California, Oregon, and Nevada, and in the Territories of Washington, Idaho, Montana, Wyoming, Utah, and Arizona, it is stipulated that the contracts are to be executed by or before the first day of July, eighteen hundred and seventy; and whereas, in view of the importance of the service to be performed and the damage to the public interests which would result from failure to put said service in operation at the proper time, it is desirable to fix an earlier period than the first of July for the execution of the contracts, and to adopt such other precautions as may seem necessary to guard against the failure of bidders or contractors to fulfill their obligations: Therefore,

“*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Postmaster-General be, and he is hereby, authorized, in any case in which he may deem it necessary, to require accepted bidders under the advertisement of September thirtieth, eighteen hundred and sixty-nine, inviting proposals for carrying the mails of the United States in the States and Territories above mentioned, to execute contracts and return them to the Department at an earlier period than the first day of July, and, at the discretion of the Postmaster-General, as early as the first day of June, eighteen hundred and seventy.

“ SEC. 2. *And be it further resolved*, That in any case arising under the aforementioned advertisement, in which the Postmaster-General shall have good reason to believe that any bid for carrying the mail on any route has not been made in good faith, he shall be authorized to summon the bidder or bidders to appear before him and show cause why such bid should not be set aside, or immediately executed by entering into contract with sufficient sureties; and the failure of the bidder or bidders to appear in response to such a summons and satisfy the Postmaster-General that said bid has been made in good faith, and that the guarantors thereof are duly responsible, or to enter into such contract, shall be deemed to be sufficient cause for setting such bid aside and entering into contract with the lowest of the bidders who will do so for the performance of the service. And all the bidders shall be seasonably notified that such summons has been issued, and that they may be required to enter into such contract.

“ Approved May 5, 1870.”

And again in 1871 by the enactment of a provision requiring that all bids of \$5,000 or upward should be accompanied by a certified check or draft, payable to the order of the Postmaster-General, for an amount not less than 5 per cent. of the bid, the same to be forfeited to the Department in case the bid should be accepted and the bidder fail to enter into contract and perform the service.

Both these acts failed to reach the difficulty. Under the first one the bidders were enabled to combine, and, by the withdrawal of the low bids, (after a “straw” had been accepted and failed,) force the Department up the line of bidders to any height, however exorbitant; and under the provision of the act of March, 1871, the “straw” had only to make his bid less than \$5,000, and thus avoid the necessity of putting up the 5 per cent. Of course he did so.

At all the regular “lettings” of the Department the routes or lines for which proposals are invited are very numerous, and there are usually a great many bids for each route. All the long and important routes, too, are in remote sections of the country or on the frontier, and it is very evident to the committee that the Postmaster-General cannot, with the agencies at his disposal, ascertain as to the good faith and responsibility of all parties sending in proposals, and the law would not justify him in refusing a bid upon his suspicion of the irresponsibility of the bidder, especially if such suspicion is based solely upon the fact that the bid is a low one.

On the 30th of September, 1870, the Post-Office Department issued regular advertisements for contracts for carrying the mail in the States of West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, and Arkansas, the contracts to begin on the 1st of July, 1871. Many proposals

were received, opened, and examined, and in every case contracts were awarded to the lowest bidder whose bid was in due form; but when the time arrived for the making the contracts and entering upon the service, it was found that upon one hundred and ninety-five of the most important and expensive routes the accepted bidders failed to come forward and enter into contracts and perform the service. These routes are scattered through all the above States, but most of them are in Alabama, Texas, and Arkansas. As the joint resolution above quoted, of May 5, 1870, did not apply to lettings in these States, the Postmaster General was in some doubt as to the true and proper construction of the laws touching the course to be pursued in the premises, particularly inasmuch as upon inquiry he found that there had been no established or uniform practice of the Department in such cases, and no settled construction of the statutes for his guidance, as appears from the following letters of Messrs. E. L. Childs and James N. Davis, experienced and reliable officers of the Department:

"Letter of E. L. Childs, of the Post-Office Department, to the Postmaster-General, submitting his recollection of the practice of the Department in reletting contracts for conveying the mail."

POST-OFFICE DEPARTMENT,
Washington, D. C., January 18, 1872.

"SIR: In compliance with your verbal order, I submit my recollection of the practice of the Post-Office Department during my (nearly) twenty years' connection with the contract office in reletting contracts for conveying the mail in cases where the lowest bidders under an advertisement inviting proposals failed, either willfully or from inability, to fulfill their engagements, as was often the case, to execute contracts or perform service.

"The practice has been different under different heads of the Department, and according to the construction given by each to the laws of Congress applicable to the subject. In a majority of cases, and particularly when the service was for the whole four years' term, and the compensation large, the routes have been re-advertised and relet as soon as practicable after the failure was known to be absolute, a temporary contract to keep the service in operation being in the mean time made, as authorized by the 23d section of the act of July 2, 1836. In other instances, where the period of service was for one or two years only, when the fact of failure or inability was definitely ascertained before the time for beginning the service, or when the next lowest bid was reasonable in amount, or was by a former contractor in good standing, and time and expense would be saved by contracting with him, offers have been made to such second bidder, and even to a third, and contracts secured. This has been done by officers of the Department, who held that when routes were once advertised and proposals received, the law was complied with and the duty of the Department discharged in that respect, giving a discretionary power to act for the best interests of the Government without inviting further competition. Under the same views of law, instances have occurred of contracts entered into with parties whose names did not appear on the books as bidders on the vacant route, but who were contractors on other routes, were well recommended to the Department, or were otherwise known to be responsible and in all respects fit and competent for the duty.

"That the practice of offering the service to the bidders second or third in amount above the lowest, in cases of the failure of the latter, was not in accordance with the legislative will, is to be inferred from the passage of the resolution of Congress approved May 5, 1870, the 2d section of which gives authority to pursue that course in regard to the letting of contracts in the Pacific States and Territories under the advertisement of September 30, 1869, and limits the exercise of the power to that letting only.

"Respectfully, your obedient servant,

"E. L. CHILDS.

"Hon. JOHN A. J. CRESWELL,
"Postmaster-General."

"Letter of J. N. Davis, of the contract office, to the Postmaster-General, as to the usage of the Department under the laws requiring contracts to be let to the lowest bidders, and as to the practice in case of the failure of accepted bidders."

POST-OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., January 19, 1872.

"SIR: The usage of this Department in letting contracts for mail-service, under public advertisement, according to my observation as a corresponding clerk in the contract office from September, 1853, to June, 1866, has been to let the contract in every case to the lowest bidder tendering sufficient guarantees for the faithful performance of the service; and a bid in due form, signed by two guarantors, with the certificate of a

proper postmaster or other officer appended, setting forth the sufficiency of the guarantors, has uniformly been considered as tendering such sufficient guarantees. No case has ever come under my notice, so far as my recollection serves, in which the Department rejected such a bid upon the ground that it was a 'straw' or fraudulent bid. In case of the failure of the lowest bidder to execute contracts or perform the required service, the usage has been sometimes to offer the contract to the next lowest bidder, and, on his refusal, to the next lowest, and so on; sometimes to enter into contract, without re-advertisement, with parties not bidders; and sometimes to employ temporary service on the most favorable terms until the route could be re-advertised and re-let.

"Very respectfully, your obedient servant,

"JAMES N. DAVIS.

"Hon. JOHN A. J. CRESWELL,
"Postmaster-General."

These letters were corroborated by the sworn testimony of Messrs. Childs and Davis, before the committee; and also by the Postmaster-General and others, who have been identified with that Department.

Feeling the necessity of a correct, authoritative, and established construction of the law, the Postmaster-General had the following correspondence with the then Attorney-General of the United States:

"POST-OFFICE DEPARTMENT, July 19, 1871.

"SIR: The law limits the duration of contracts for carrying the mail to four years, act of March 3, 1825, Statutes, vol. 4, page 104.) The Union is divided for this purpose into four sections, so that the contracts for a section expire and are relet each year. At each of these annual lettings more or less bids of a fictitious character, or at inadequate compensation, or from bidders without means or knowledge of business, have been received, and when lowest, have been accepted, as required by law, (section 24, act of July 5, 1836, Statutes at Large, volume 5, page 80.) It thus often happens that failures occur to execute contracts to perform service, rendering it necessary to re-let the service at the expense of the failing bidder, as enjoined by the 44th section of the act of March 3, 1825, (Statutes at Large, volume 4, page 114,) and the 27th section of the act of July 2, 1836, (Statutes at Large, volume 5, page 86.) The section last referred to says that, in case of failure, the Postmaster-General 'shall proceed to contract with some other person or persons,' &c.

"The question then arises, how or in what manner shall the Postmaster-General 'proceed' to obtain this contract? Usage in such cases has varied according to circumstances and the differing views of the different heads of the Department. In some cases, when a failure has occurred from the simple inability of a bidder to go on with the service, the next lowest bidder has been taken, if his figures were reasonable; and, if he declined, a second and even a third offer made to bidders standing on the books. This course was pursued to save trouble, time, and expense in re-advertising.

"In other instances, and perhaps in a majority of cases, the routes have been re-advertised. The result of the last annual letting of routes in the Southern States for service from July 1, 1871, to June 30, 1875, shows a much larger number of failures than usual, and the indications are that a great number of the bids are 'straw,' or fictitious; not the lowest only, but others running from low to high rates, as if intended to accomplish ulterior and sinister purposes.

"One of the duties of the Postmaster-General, as prescribed by the first section of the act of Congress of March 3, 1825, 'to reduce into one the several acts establishing and regulating the Post-Office Department,' (Statutes at Large, volume 4, page 102,) is that 'he shall provide for the carriage of the mail on all post-roads that are or may be established by law,' &c. To this end section 10 of the same act (volume 4, page 104) makes it his duty to give public notice 'in one newspaper published in the State or States or Territory where the contract is to be performed, for at least twelve weeks before entering into contract for carrying the mail, that such contract is intended to be made, and the day on which it is to be concluded,' &c.

"By act of March 3, 1865, the insertion in papers published in the States is limited to six weeks instead of twelve.

"In the 23d section of the act 'to change the organization of the Post-Office Department,' &c., approved July 2, 1836, (Statutes at Large, volume 5, page 85,) this language is used:

"It shall be the duty of the Postmaster-General, before advertising for proposals for the transportation of the mail, to form the best judgment practicable as to the mode, time, and frequency of transportation on each route, and to advertise accordingly."

"And then follow the words:

"Whenever it shall become necessary to change the terms of any existing contract,
* * * * * or to enter into a contract at any other time than at the annual letting,

the Postmaster-General shall give notice, in one newspaper published * * * * as near as may be to the route on which the services are to be performed, for at least four weeks before * * * * making such contract, inviting proposals therefor, which proposals shall be received and opened, and such *proceedings thereon* had in all things as at the annual lettings: *Provided, however, That the Postmaster-General may make temporary contracts until a regular letting can take place.*

"The '*proceedings thereon*' are those described in the 24th section of the same act, (volume 5, page 86,) viz:

"That proposals for mail-contracts shall be delivered to the Department sealed, and shall be kept sealed until the biddings are closed, and shall then be opened and marked in the presence of the Postmaster-General and one of the Assistant Postmasters-General, or in the presence of two of the Assistant Postmasters-General."

"The 'annual letting' mentioned in the section of the act of 1836, quoted above, is understood at the Department to mean the lettings of contracts for four years' service, as directed by the act of 1825.

"To obtain your opinion as to the true interpretation of the laws bearing on this subject, and the proper course for the Department to pursue to protect not only the interests of the United States, but the rights of honest and *bona-fide* bidders, is the object of this communication.

"First. Is the Postmaster-General authorized to make any contracts for the conveyance of mails, other than for 'temporary' service, except under or in pursuance of bids received after inviting them by advertisement; or, more particularly, if the lowest bidder at an 'annual letting' fails to enter into contract and perform service, can the Postmaster-General legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising; or, is it lawful, after once advertising and failing to secure a contractor, to contract with a party who has not been a bidder, on a proposition informally submitted, for the contract term?"

"Second. What meaning is to be attached to the word 'temporary,' as used in the proviso to the 23d section of the act of July 2, 1836? Can it be made to authorize a period of one year, so as to terminate a contract at the next annual letting; or is it limited to the time actually necessary to advertise—four weeks—and go through the process of opening, deciding, and awarding, as detailed in the laws?"

"Very respectfully, your obedient servant,

"J. A. J. CRESWELL,
"Postmaster-General.

"Hon. A. T. AKERMAN,
"Attorney-General."

"DEPARTMENT OF JUSTICE,
"July 22, 1871.

"SIR: Your letter of the 19th instant, after stating the difficulties which have arisen in your Department in consequence of fictitious or 'straw' bids for contracts for carrying the mails, propounds to me certain questions, as follows:

"First. Is the Postmaster-General authorized to make any contracts for the conveyance of mails, other than for temporary service, except under or in pursuance of bids received after inviting them by advertisement; or, more particularly, if the lowest bidder at an 'annual letting' fails to enter into contract and perform service, can the Postmaster-General legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising; or is it lawful, after once advertising, and failing to secure a contractor, to contract with a party who has not been a bidder, on a proposition informally submitted, for the contract term?"

"When an accepted bidder fails to enter into an obligation with sufficient sureties for the performance of the service, the 27th section of the act of July 2, 1836, (5 U. S. Stat., 86,) requires the Postmaster-General 'to contract with some other person or persons for the performance of the service.'

"What authority has the Postmaster-General in contracting under such circumstances? Three answers have been suggested: first, that he must contract with the next lowest bidder; second, that he has an unlimited discretion as to the contractor and the terms; third, that he must advertise anew, and award the contract to the lowest bidder under the new advertisement.

"The act of July 2, 1836, section 24, (5 U. S. Stat., 86,) and the act of March 3, 1845, section 18, (5 U. S. Stat., 738,) give the contract to the lowest bidder. No statute authorizes an alternative acceptance of the next lowest or of any other bid. The contract is offered to the lowest bidder. The bids are tendered for acceptance only in the event that they shall prove to be the lowest, and by the acceptance of one as the lowest the others are discharged. Thenceforth the law looks only to the successful bidder, and while it holds him and his guarantors responsible for his failure to complete

the contract for the performance of the service, (act of March 3, 1825, section 44, 4 U. S. Stat., p. 114; act of July 2, 1836, section 27, 5 U. S. Stat., p. 86,) it does not hold the other bidders in waiting to supply his default. These others have no further claim upon the Government, and the Government has no further claim upon them.

"The construction that gives to the Postmaster-General an unlimited discretion upon the failure of the accepted bidder to complete the contract, leaves in operation much of the mischief which the laws on the subject of advertisements and bids were designed to suppress. It was the policy of those statutes to subject the Postmaster-General to a rigid rule in the matter of contracts for the carrying of the mail; and that policy is practically overturned, if a single fictitious bid remits the contract to his discretion.

"An unqualified direction that he shall contract must be taken to signify that he shall contract according to the general rule of mail-contracts, to wit, after advertisement and with the lowest bidder, (act of March 3, 1825, section 10, 4 U. S. Stat., 104.) The 23d section of the act of July 2, 1836, (5 U. S. Stat., 85,) especially provides for advertisement whenever it becomes necessary 'to enter into a contract for the transportation of the mail at any other time than the annual letting,' (temporary contracts alone excepted,) a provision which seems to have been contrived for such cases as that now under consideration. From an early period the law has required advertisements for mail-contracts. (See act of February 20, 1792, section 6, 1 U. S. Stat., 234; act of May 8, 1794, section 6, *ibid.*, p. 358; act of April 30, 1810, section 8, 2 U. S. Stat., 595, and the acts above cited.) The object is manifest, to get for the Government the benefit of competition. From necessity, an exception is allowed in the case of temporary contracts, (act of July 2, 1836, section 23;) but a construction which admits the fewest exceptions, and leaves the least to the discretion of the Postmaster-General, is most in accordance with the general policy of the law.

"I am thus brought to the third of the suggested answers, and adopt it as the most conformable both to the letter and general policy of the law. The most plausible objection to it is that it exposes the Department to the vexation of a second fictitious bid. But I do not feel authorized to reject a conclusion, otherwise satisfactory, for the reason that it places a second effort to effect the contract in the same danger as the first.

"On account of the loss of time in the first effort, the second offer of the contract must frequently be for less than a full term, and it could not have been the intention of Congress to guard the less by precautions not thrown around the greater. The failing bidder and his guarantors are made liable for the whole difference between his bid and the amount for which, on his failure, the Postmaster-General contracts, (act of July 2, 1836, section 27.) It is not probable that Congress intended that the amount of this liability should depend on the mere discretion of the Postmaster-General.

"There would be no inconvenience under present legislation if the Department could make sure of the responsibility of the guarantors; but I am informed that no precautions yet devised have been found effectual to this end. Congress can easily provide a remedy; and until that shall be done, I see no way to protect the Department from any occasional imposition through fictitious bids.

"Hence, by way of specific answers to your questions, I am of opinion that you are not authorized to make any contracts for the conveyance of mails, other than for 'temporary' service, except under or in pursuance of bids received after inviting them by advertisement. If the lowest bidder at an 'annual letting' fails to enter into contract and perform service, you cannot legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising. It is not lawful, after once advertising and failing to secure a contractor, to contract with a party who has not been a bidder on a proposition informally submitted for the contract term.

"Your letter also contains the following inquiries:

"Second. What meaning is to be attached to the word 'temporary,' as used in the proviso to the 23d section of the act of July 2, 1836? Can it be made to authorize a period of one year, so as to terminate a contract at the next annual letting; or is it limited to the time actually necessary to advertise—four weeks—and go through the process of opening, deciding, and awarding, as detailed in the law?"

"I am of the opinion that, except in the case hereinafter mentioned, this word should not be construed to authorize a discretionary contract for a term extending beyond the time when the next annual letting will take effect, but the Postmaster-General has a discretion within that limit to advertise immediately or to wait until the time for the usual annual advertisement. The exception to this rule is when the exigency arises too late in the contract year for the advertisement and letting to be completed before the beginning of the next year, in which case the right to make temporary contracts extends through the succeeding year.

"This word must be construed not merely with reference to the class of cases which has occasioned your present call for an opinion, but in reference to any other case of an interruption in the regular mail-service for which a temporary contract must provide. For illustration, in the accidents to which mail-service is liable, an interruption might

occur six weeks before the time when the new regular contracts would take effect. Four weeks would be required for advertisement. Congress could not have intended to subject the Postmaster-General to the necessity, in such a case, of increasing the expense of advertising for a service merely of two weeks, and for so brief a service it is not likely that advertisement would produce bids advantageous to the Government.

"When, however, the occasion for a temporary contract arises so long before the annual letting as to justify the expense of advertising and to make it probable that a saving to the Government would be effected by inviting bids, the Postmaster-General would, no doubt, feel disposed to conform as closely as possible to the general policy of the law, which is that mail-service shall be generally performed by the person who will be found to do it for the least money, after public advertisement.

"Very respectfully, your obedient servant.

"A. T. AKERMAN,
"Attorney-General.

"Hon. J. A. J. CRESWELL,
"Postmaster-General."

In accordance with the above opinion of the Attorney-General, the Postmaster-General made such contracts for temporary service upon those mail-routes where the persons to whom contracts had been awarded had thus failed, as he could, and proceeded on the 1st of August to *re-advertise* for proposals, the service to commence the 1st day of January, 1872, and to expire June 30, 1875.

The bids or proposals under this last advertisement, upon about one-half the routes, were no better, or but little better, than before, and the same experience of "straw" or fraudulent bids was realized as before, and very few contracts with responsible parties were obtained. In consequence, the temporary service had to be continued.

It is not disputed that the Postmaster-General made the best terms for the Government for this temporary service which were obtainable. This service is generally being performed by the last regular contractors, who, having the lines or routes already stocked and organized, possess great advantages over other parties in proposals for brief or uncertain periods of service. And the complaint against the Postmaster-General seems to be that he "*ought to have taken the responsibility of contracting with the lowest bidder who would take the contract and perform the service for the term,*" after the lowest or "straw" bidder had failed, and that "he should not have sought the opinion of the Attorney-General, nor observed it when obtained," &c.

The committee failed to arrive at that conclusion, and though it seems pretty certain that the Postmaster-General might have contracted with *somebody*, in most cases, *for the term*, at less rates than he contracted for the temporary service, the committee believe that no officer of the Government could be justified in a violation of the law *at his own option*, because, *in his opinion*, he might thereby save money to the Government. Such a rule of duty once established for officers of the Government—the *license of discretion* once substituted for the *rule of law*—and there would be no such thing as accountability by the public servants.

The committee are therefore of opinion that the course pursued by the Postmaster-General was not only justified by the circumstances and law, but was eminently wise and prudent.

The Attorney-General of the United States is the law expositor and organ of the Government, and until his opinions are overthrown or reversed by the courts, they are regarded as authority by the different Departments of the Government.

The committee have, as the practical result of their labors in this investigation, reported a bill which passed the House of Representatives by a unanimous vote, and which they believe, if enacted into a law, will in great measure, if not entirely, remedy the evil which is the subject of this report.

J. F. FARNSWORTH, *Chairman*.
JOHN HILL.
JAS. N. TYNER.
S. O. HOUGHTON.
GINERY TWICHELL.
CHARLES H. PORTER.

[Forty-second Congress, second session, Senate, April 8, 1872.]

MAIL-CONTRACTS.

Mr. RAMSEY. I move that the Senate resume the consideration of House bill No. 1930. It can be disposed of in five minutes.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1930) relating to proposals and contracts for the transportation of the mails, and for other purposes.

H. Rep. 814—V

LXVI MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

Mr. RAMSEY. The amendments are all gone through except one offered by myself and one offered by the Senator from California. I hope they will both be accepted.

Mr. RAMSEY. An amendment was proposed by the Senator from California, which I hope will also be adopted.

The chief clerk read the amendment proposed by Mr. Casserly; which was at the end of the sixth section to insert the following:

And in all cases of regular contracts hereafter made for a sum exceeding \$5,000 per annum, the contract shall, in the discretion of the Postmaster-General, be continued in force beyond its express terms, for a period not exceeding six months, until a new contract, with the same or other contractors shall be made by the Postmaster-General.

Mr. CASSERLY. The word "shall" in the third line should read "may," so as to read "the contract may, in the discretion of the Postmaster-General, be continued in force," &c.

The VICE-PRESIDENT. That modification will be made.

Mr. CASSERLY. This should come in at the end of section five, I find, instead of section six.

The VICE-PRESIDENT. It will be so incorporated by the enrolling-clerk at the end of section five if the bill should pass and the amendment be agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in. It was ordered that the amendments be engrossed and the bill read a third time.

The bill was read the third time and passed.

[42d Congress, 2d sess., House of Representatives, April 16, 1872.]

POSTAL CONTRACTS.

Mr. FARNSWORTH. I ask unanimous consent to take from the Speaker's table the amendments of the Senate to the bill (H. R. No. 1930) relating to proposals and contracts for transportation of the mails, and for other purposes, in order that there may be a committee of conference.

The SPEAKER. If there be no objection, the amendments of the Senate will be taken up.

There was no objection, and it was ordered accordingly.

Mr. FARNSWORTH. I move to non-concur in the amendments of the Senate, and ask for a committee of conference on the disagreeing votes of the two houses.

There was no objection, and it was ordered accordingly.

[42d Congress, 2d session, Senate, April 19, 1872.]

MAIL-BIDDING.

Mr. RAMSEY submitted the following report:

The committee of conference on the disagreeing votes of the two houses on the bill (H. R. No. 1930) entitled "An act relating to proposals and contracts," &c.

The report was concurred in.

[42d Congress, 2d session, House of Representatives, April 22, 1872.]

MAIL-CONTRACTS.

Mr. FARNSWORTH, by unanimous consent, submitted the following report from a committee of conference:

The committee of conference on the disagreeing votes of the two houses on the bill (H. R. No. 1930) entitled "An act relating to proposals and contracts for transportation of the mails, and for other purposes," having met, after full and free conference have agreed to recommend, and do recommend, to their respective houses as follows:

That the House recede from their disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, and 16, and the house agree to the same.

That the House recede from its disagreement to the third amendment of the Senate, and agree to it with an amendment, as follows:

After the word "officer" insert "Post-Office Department."

That the House recede from its disagreement to the twelfth amendment of the Senate, and agree to it with an amendment, as follows:

In lines five and six, strike out "for a sum exceeding five thousand dollars per annum."

That the House recede from its disagreement to the thirteenth amendment of the Senate, and agree to it with an amendment, as follows :

In line ten strike out the word "nor," and insert "and in case of new service not ;" in line eleven strike out "before new service," and insert "exceed five thousand dollars per annum ;" in line nineteen strike out "enter into," and insert "execute ;" in line fifteen add "and enter upon the performance of the service to the satisfaction of the Postmaster-General ;" in line nineteen, after the word "Treasury," insert "for the use of the Post-Office Department ;" in line twenty strike out "and seasonably enter into," and insert "executed and the service entered upon."

J. F. FARNSWORTH,
GINERY TWITCHELL,
J. M. CARROLL,

Managers on the part of the House.

ALEX. RAMSEY,
T. W. FERRY,
E. CASSERLY,

Managers on the part of the Senate.

The report of the committee was adopted.

Mr. FARNSWORTH moved to reconsider the vote by which the report was adopted ; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

[42d Congress, 2d session, House of Representatives, April 23, 1872, Globe, p. 2687.]

MAIL-CONTRACTS.

Mr. Van Trump, by unanimous consent, presented the views of the minority of the Committee on the Post-Office and Post-Roads in relation to the letting of mail-contracts ; which were ordered to be printed:

VIEWS OF THE MINORITY

Under the resolution of the House upon the subject of mail contracts, the minority of the Committee on the Post-Office and Post-Roads submit the following report, in reference to certain charges against the administration of the Post-Office Department, published in the Washington Patriot of January 8, 1872. It appears that the article in question was written by Col. J. C. McKibben, and full authority given to the publishers to use his name in connection with the allegations.

The author and publisher of the article and various other witnesses were summoned before the committee, while others eluded the process of the Sergeant-at-Arms. We will endeavor to group together the more grave charges, and, as briefly as possible, connect them with the evidence elicited during the investigation.

Mr. George W. McLellan, for eight years chief of the contract-office, appointed by President Lincoln and removed by President Grant, testifies "that straw-bidding did not exist to any extent during my term of office, not to be troublesome," (page 45.) General Giles A. Smith, who succeeded Mr. McLellan, testifies, "I think straw-bidding existed in 1849," (page 47.) Again, "We had several consultations, the Postmaster-General and several other parties, with a view to see if we could not provide against the system of straw-bidding, that was annoying us so much in the letting of contracts in the fall of 1870 and 1871," (pages 41 and 42.) He also testifies "that when proposals came for service in California, Oregon, and the Territories, in 1870, for any route, the bids were so wide apart, and some of them so low, it was very evident that some of the bidders did not intend to enter upon the service," (page 47.) The Postmaster-General testifies "that the annual lettings of 1869 were in New England ; straw-bidding did not exist there to the extent it does in the South and West ; the contracts were mostly small," (page 257.) He also states "that there was more straw-bidding in 1870 than in 1869 ;" and in his annual report of 1871 he informs Congress that "on the 30th of September, 1870, advertisements were issued, in regular form, for all mail-contracts in the section comprising the States of West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, and Arkansas. In response to these advertisements, many bids were received and duly entered, and, under the twenty-fourth section of the act of July 2, 1836, contracts were, without exception, awarded to the lowest bidders. On the 1st of July, the time when, agreeably to the advertisement and the usage of the Department, the new contractors were required to commence the discharge of their duties, it was ascertained that the bidders to whom contracts on most of the important routes had

LXVIII MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

been awarded had failed to perform the service. The whole number of failing bidders was one hundred and ninety-five, and the routes thus left without regular contractors were found to be located as follows: Three in West Virginia, eleven in Virginia, two in Georgia, two in Florida, seventy-seven in Alabama, two in Mississippi, eleven in Louisiana, forty-two in Texas, and forty-five in Arkansas. Suspecting that the bidders who had thus failed were not acting in good faith, and that in many cases they were fictitious, and what are called straw-bidders, the Department, on the 19th July last, addressed a letter to the Attorney-General, stating the condition of affairs and asking for an authoritative interpretation of the laws as to the powers of the Postmaster-General in making contracts for the conveyance of the mails. In strict conformity with the opinion of the Attorney-General, dated 22d July last, the Department proceeded to make temporary contracts, on the best terms attainable, for six months, or longer, in the discretion of the Postmaster-General, and to re-advertise, for the residue of the contract term, all the routes whereon service had failed. The new advertisements, for a reletting from January 1, 1872, to June 30, 1875, were issued on August 4, 1871, and the new awards were made on the 1st of November instant. It was hoped that, under the operation of the fourth section of the act of March 3, 1871, which required all bidders to accompany their bids for \$5,000 or over with a certified check or draft, payable to the order of the Postmaster-General, for an amount not less than 5 per cent. of their bids, and which was applied, for the first time, to the bids under the last-named advertisement, a more favorable result would be obtained. I regret, however, to be obliged to say that the bids under the last advertisements are in no respect an improvement on those under the first, and that of all the routes re-advertised, only two were awarded to bidders who bid over \$5,000, and who gave evidence of honesty of purpose by accompanying their bids with a check for 5 per cent. of the amount thereof.

It thus fully appears that straw-bidding did not exist to any serious extent during the previous administration of the Post-Office Department, but became the systematized practice under Mr. Creswell on all important land-routes, resulting in a failure to procure service upon the above routes, most of which are now advertised for the third time. The minority of the committee do not pass any positive opinion as to the agencies that have produced this result, but simply submit the fact and the evidence to Congress.

That the Postmaster-General did withhold the information of this and other abuses from Congress is manifest, from an examination of his annual reports for 1869-'70 and 1870-'71, in which there is not the slightest allusion to straw-bidding or any other frauds upon the postal service, although their existence is fully developed in the evidence. It is due to the Postmaster-General that his explanation of this neglect should become a part of this report. He states, "This matter of straw-bids did not come under my observation till after my report for 1870 had been written," (page 267.)

We would remark that the awards of contracts at the annual lettings of 1870 were made in the month of March, and the contracts executed June 1 of that year, ample time to have thoroughly investigated and reported the facts to Congress at its meeting in December. That there did exist a combination to control the mail-lettings in the Northwest and Southwest is apparent from an examination of the records, and sustained by the very sufficient evidence of the Postmaster-General and the Second Assistant Postmaster-General.

The records of the routes from Oroville to Portland, and from Mesilla to Los Angeles, having been put in evidence, exhibit the fact that there were failing, or straw, bidders on each, and that the withdrawals and manipulations in each case secured those important routes to the same contractor. The failures of service in Texas and Arkansas produced the same result in favor of the old contractors. The Postmaster-General testifies, "These bidders are apprised exactly of the line, (of bids) and they get together and arrange among themselves, knowing precisely the time to which the Postmaster-General is limited, and that you are bound to take one of them," (page 141.) Again he says, "The whole system is shown by the action in connection with the Oroville route," (page 143.) Again he says, "I was led to believe that all these men had been induced to withdraw (on the Oroville and Portland route) for a valuable consideration," (page 156.) Again he states that "I did not set forth the facts of withdrawing bids in my reports of 1869 and 1870." Again, "No dismissal of a postmaster for violating his oath of office," (page 259.) The minority of the committee, when they take into consideration that General Smith has testified that these frauds were matters of information, upon which consultation was had; that they were manifest from the record; that the Postmaster-General himself develops the existence of combinations; that a valuable consideration was used to secure the withdrawal of the lower bidders; that no local postmasters have been dismissed for certifying to fraudulent guarantors, (although the awards in the Northwest were made two years ago,) and yet the whole matter withheld from Congress by the excuse that there was no time between March and December to present

these abuses to Congress—from all these facts must conclude that there was a deliberate concealment of these abuses, or else that the Postmaster-General has been most derelict in performing his duty. That the practice of straw-bidding could only exist by the permission of the Department admits of easy demonstration and proof. George W. McLellan testifies “that if contracts were made at reasonable prices it would have a tendency to stop straw-bidding.” Mr. McKibben testifies that “straw-bidding has resulted from the fact that contracts have been made at prices far in excess of the cost of transportation, and a fund is thus created to buy out the lower bidders; but if the Postmaster-General will confine himself to a fair compensation, there will be no money to buy them out; it is the Department itself that indirectly furnishes the money to get the lower bidders out of the way.” The minority of the committee fully indorse these views; and if parties, as it has been testified, do put in bids to be bought off, the practice must cease whenever and wherever the Postmaster-General confines contracts, as the law permits him to do, to a compensating price. The remedy for this and all other abuses will be found, not in multiplied legislation, but in an efficient administration of the laws.

We will now advert to the lettings and awards in the Southwest. The Postmaster-General, in his annual report for 1871, states “that under the twenty-fourth section of the act of July 2, 1836, contracts were, without exception, awarded to the lowest bidder.” It is charged that the Postmaster-General attempted to deceive Congress, to justify his closing the contract office to all competition and to pecuniarily benefit special parties, by adhering to a law both obsolete and virtually repealed. Mr. McLellan testifies “that contracts were awarded, not under the law of 1836, but under the act of March 3, 1845; and that the Postmaster-Generals considered the law of 1845 as giving them more discretion,” (page 245.) The Postmaster-General, on his cross-examination, testifies, in regard to awards, “It is made under the law, which says that the contract shall be made with the lowest bidder who will furnish sufficient guarantees,” (page 268,) and that is the law of 1845. The following extract from the postal laws accompanied the advertisement for proposals in the Southwest:

“SEC. 18, act of March 3, 1845. That it shall be the duty of the Postmaster-General, in all future lettings of contracts for the transportation of the mail, to let the same, in every case, to the lowest bidder tendering sufficient guarantees for faithful performance, without other reference to the mode of such transportation than may be necessary to provide for the due celerity, certainty, and security of such transportation; nor shall any new contractor hereafter be required to purchase out or take at a valuation the stock or vehicle of any previous contractor for the same route.”

The minority consider the ignoring of the actual law, and the adherence to an obsolete statute, either tends to sustain the charge that it was for the benefit of the special parties, who continue to hold, under his decision, the service that should have been relet last July, or shows an utter misconception of the postal laws by the Postmaster-General.

The charge that the Postmaster-General violated not only the law but the usage of the Department is sustained by the following testimony: George W. McLellan testifies “that the usage under Judge Blair and Governor Randall’s administration was to go up the scale of bidders; it (the contract) was always offered to a person who put in a reasonable bid, (page 338.) Mr. Childs and Mr. Davis, who are among the oldest clerks in the Department, testify that the usage varied under the different heads of the Department. It thus appears that the Postmaster-General would have been fully justified in letting the service to any of the reasonable bids above the straw. It is in evidence that many of these bids, from known and responsible parties, were one-half lower than the present compensation, but it did not avail either to protect the bidder or the Government. The Postmaster-General, for some unexplained cause, determined to change the practice of the Department, and as early as July 6, 1871, announced, through the contract office, that, where proposals were in regular form, he would not accept of any but the lowest bidders, although it might be a fictitious bid. In his report to Congress, he attempts to justify his action by the opinion of the Attorney-General of a subsequent date. That the grave charge of having procured an *ex post facto* opinion may be fully shown, we give full extracts from the evidence. The Postmaster-General testifies as follows, without giving any date: “I went to Mr. Akerman, taking my papers and the law, and laid the whole matter before him, and we had a long conference. Mr. Akerman said there was great doubt about the power, but there was no doubt about the power to re-advertise; that I could do that and throw the routes open to competition,” (page 147.) George H. Williams, Attorney-General, testifies: “I have to state in regard to that (Mr. McKibben’s published statement) that I was employed to accompany General McKibben and Colonel Farrar to the office of the Postmaster-General, to convince him, if I could, that under the law, after a straw bid had been accepted and had proved to be a failure, he had a right to proceed then and take the next highest bidder, until he found some responsible party who would contract with the Government to carry the mails. I submitted some views as to the law

on that subject to the Postmaster-General. He signified that he had a conference with the then Attorney-General, in which the Attorney-General advised him either that he had no power to pursue that course, or that he ought not to pursue that course. I am not very positive as to the language of the Postmaster-General. I then accompanied the same gentleman to the office of the Attorney-General, and, on inquiring, he stated that he had some conversation with the Postmaster-General on that subject; *that no call had been made on him for an official opinion*, but that he expected a formal call, and that when the call was made he would be willing to hear my argument as to the proper construction of the law," (page 316.) Again, Mr. Williams says: "He (the Attorney-General) did intimate that his opinions were not fixed on the subject; that he was ready to hear argument to change his views or adopt any new views that might be submitted as to the proper construction of the laws," (page 318.) Col. W. H. Farrar, after stating that his recollection was in accordance with the statement of Mr. Williams, adds: "Mr. Akerman stated that the Postmaster-General had called his attention to certain statutes, and he opened one or more volumes and called our attention to them. He then made the remark that he expected Mr. Creswell would, early in the ensuing week, call upon him for an official interpretation of the statutes; and he made this distinct arrangement, that he should send to Judge Williams notice when Mr. Creswell's letter should reach him, and that he would give us all an opportunity to be heard," (page 353.) Again, Mr. Farrar states: "I was present with Mr. Williams about the 5th or 6th of July." Mr. McKibben testifies "that about the 5th or 6th of July, in company with the present Attorney-General, George H. Williams, and Col. W. H. Farrar, we visited the Post-Office Department. Mr. French, of the contract-office, stated that the Postmaster-General had determined not to ascend the scale, as had been the custom, but that temporary contracts would be made and the service re-advertised. We went immediately to the Attorney-General's Office. Mr. Williams was spokesman of the party, who told the Attorney-General that we had come to talk about certain postal matters, viz, the decision of the contract-office. The Attorney-General stated that he had a casual conversation with the Postmaster-General on the subject-matter, but had given no opinion, and that he would notify Mr. Williams and hear counsel before he did," (page 282.)

The report of the Postmaster-General states that on the 19th of July last he addressed a letter to the Attorney-General, asking "an authoritative interpretation of the law as to the power of the Postmaster-General in making contracts for the conveyance of the mails;" and in strict conformity with the opinion of the Attorney-General, dated July 22, he proceeded to make temporary contracts and re-advertise the routes whereon service had failed. *The opinion of the Attorney-General was obtained sixteen days after the Post-Office Department had determined upon and officially announced the course of action it subsequently pursued*; and it was obtained, too, without notice or opportunity to be heard on the part of Mr. Williams and his associates, as had been promised by Mr. Akerman. Special attention is directed to the following letter of the Postmaster-General to the Attorney-General. The letter simply asks the opinion of the law-officer of the Government as to the duty of the Postmaster-General where failure to put on service occurs under the obsolete section 24 of the act of 1836, utterly ignoring the more recent law of 1845, under which law it is proven and admitted by the Postmaster-General that awards must be made:

"Letter of the Postmaster-General, under date of the 19th July, 1871, to Hon. A. T. Akerman, Attorney-General, asking his opinion as to the true interpretation of the laws bearing on the subject of making temporary contracts for the transportation of the mails.

"POST-OFFICE DEPARTMENT, July 19, 1871.

"SIR: The law limits the duration of contracts for carrying the mail to four years, (act of March 3, 1825, Statutes, volume 4, page 104.) The Union is divided for this purpose into four sections, so that the contracts for a section expire and are re-let each year. At each of these annual lettings more or less bids of a fictitious character, or at inadequate compensation, or from bidders without means or knowledge of business, have been received, and, when lowest, have been accepted, as required by law, (section 24, act of July 2, 1836, Statutes at Large, volume 5, page 80.) It thus often happens that failures occur to execute contracts and perform service, rendering it necessary to re-let the service at the expense of the failing bidder, as enjoined by the forty-fourth section of the act of March 3, 1825, (Statutes at Large, volume 4, page 114,) and the twenty-seventh section of the act of July 2, 1836, (Statutes at Large, volume 5, page 86.) The section last referred to says that in case of failure the Postmaster-General 'shall proceed to contract with some other person or persons,' &c.

"The question then arises, how or in what manner shall the Postmaster-General 'proceed' to obtain this contract? Usage in such cases has varied according to circumstances and the differing views of the different heads of the Department. In some cases, when a failure has occurred from the simple inability of a bidder to go on with the service, the next lowest bidder has been taken, if his figures were reasonable, and

if he declined, a second, and even a third, offer made to bidders standing on the books. This course was pursued to save trouble, time, and expense in re-advertising.

"In other instances, and perhaps in a majority of cases, the routes have been re-advertised. The result of the last annual letting of routes in the Southern States for service from July 1, 1871, to June 30, 1875, shows a much larger number of failures than usual, and the indications are that a great number of the bids are 'straw' or fictitious; not the lowest only, but others running from low to high rates, as if intended to accomplish ulterior and sinister purposes.

"One of the duties of the Postmaster-General, as prescribed by the first section of the act of Congress of March 3, 1825, 'to reduce into one the several acts establishing and regulating the Post-Office Department,' (Statutes at Large, vol. 4, page 102,) is that 'he shall provide for the carriage of the mail on all post-roads that are or may be established by law,' &c. To this end section 10 of the same act (vol. 4, page 104) makes it his duty to give public notice, 'in one newspaper published in the State or States, or Territory, where the contract is to be performed, for at least twelve weeks before entering into contract for carrying the mail, that such contract is intended to be made, and the day on which it is to be concluded,' &c.

"By act of March 3, 1865, the insertion in papers published in the States is limited to six weeks instead of twelve.

"In the twenty-third section of the act 'to change the organization of the Post-Office Department,' &c., approved July 2, 1836, (Statutes at Large, vol. 5, page 85,) this language is used:

"It shall be the duty of the Postmaster-General, before advertising for proposals for the transportation of the mail, to form the best judgment practicable as to the mode, time and frequency of transportation on each route, and to advertise accordingly."

"And then follow the words:

"Whenever it shall become necessary to change the terms of any existing contract, * * * or to enter into a contract at any other time than at the annual letting, the Postmaster General shall give notice, in one newspaper published * * * as near as may be to the route on which the services are to be performed, for at least four weeks before * * * making such contract, inviting proposals therefor, which proposals shall be received and opened, and such *proceedings thereon* had in all things as at the annual lettings: *Provided, however,* That the Postmaster-General may make temporary contracts until a regular letting can take place."

"The '*proceedings thereon*' are those described in the twenty-fourth section of the same act, (vol. 5, page 86,) viz:

"That proposals for mail-contracts shall be delivered to the Department sealed, and shall be kept sealed until the biddings are closed, and shall then be opened and marked in the presence of the Postmaster-General and one of the Assistant Postmasters-General, or in the presence of two of the Assistant Postmasters-General."

"The 'annual letting' mentioned in the section of the act of 1836 quoted above is understood at the Department to mean the lettings of contracts for four years' service, as directed by the act of 1825.

"To obtain your opinion as to the true interpretation of the laws bearing on this subject, and the proper course for the Department to pursue to protect, not only the interests of the United States, but the rights of honest and *bona-fide* bidders, is the object of this communication.

"First. Is the Postmaster-General authorized to make any contracts for the conveyance of mails, other than for 'temporary' service, except under or in pursuance of bids received after inviting them by advertisement; or, more particularly, if the lowest bidder at an 'annual letting' fails to enter into contract and perform service, can the Postmaster-General legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising; or is it lawful, after once advertising and failing to secure a contractor, to contract with a party who has not been a bidder, on a proposition informally submitted, for the contract-term?"

"Second. What meaning is to be attached to the word 'temporary,' as used in the proviso to the twenty-third section of the act of July 2, 1836? Can it be made to authorize a period of one year, so as to terminate a contract at the next annual letting, or is it limited to the time actually necessary to advertise—four weeks—and go through the process of opening, deciding, and awarding, as detailed in the laws?"

"Very respectfully, your obedient servant,

"J. A. J. CRESWELL,
"Postmaster-General."

"Hon. A. T. AKERMAN,
"Attorney-General."

It is important to notice in this connection that the charge of having procured an *ex post facto* opinion was published while Mr. Akerman was in Washington and held the position of Attorney-General. Why he did not come to Mr. Creswell's relief upon

so grave an accusation is a question not easily answered. The minority of the committee must conclude that this charge is fully sustained. The Postmaster-General testifies that "it [the alleged opinion of the Attorney-General] did prevent me from letting these contracts permanently and compelled me to let them temporarily, and in some cases at higher rates," (page 270.) Thus the practical result of the action of the Postmaster-General has destroyed competition for contracts and substituted expensive temporary for the regular and cheaper service, and, as previously stated, notwithstanding the repeated advertisements for service, the Post-Office Department is still forced to continue these temporary lettings for the benefit of the old contractors, whom it is gravely suspected (although not in proof) to have originated the system of fictitious bidding for their own especial benefit. Mr. F. P. Sawyer admits that he is still in possession of the important land-routes in Texas, although he denies any knowledge of the "strawing" of which he is the sole beneficiary.

That the Postmaster-General did twice violate the law in the letting of the route from Oroville, California, to Portland, Oregon, at an unnecessary expense of nearly \$200,000, is distinctly proven by the record itself. It exhibits the fact that the advertisement for proposals asked for daily service, or seven times a week. One John Alman bid \$95,900 for six times a week, and Gilman and Saulsbury bid \$98,400 for seven times a week, and, in strict accordance with the law and the instructions of the Postmaster-General, were entitled to the contract, which they personally demanded from the Postmaster-General. The contract was awarded to Alman, who proved to be a fraudulent bidder, and by reason of his failure the enormous sum of \$43,600 in excess of Gilman and Saulsbury's bid was paid in the period of four months for temporary service, and the entire expenditure in excess of the rejected bid will amount to \$180,000 at the close of the contract term. It appears from the record that Alman, on the afternoon of the last day for receiving proposals, filed a letter, without date, stating that he intended to bid for seven times a week, and supported it by affidavit. It cannot be contended that Mr. Alman's bid was a bid under the advertisement and instructions, but the Postmaster-General gracefully excuses himself for rejecting the legal bid on the ground that he saved \$10,000 for the Government, and that the instructions accompanying proposals can always "bend" to the will of the Postmaster-General. He testifies as follows: "I have always held that a regulation is something within my own control; I would not control a law, but the regulations of the Department can always bend," (page 156.) The insufficiency of this excuse and the gross injustice to *bona-fide* contractors will appear by reference to the compilation of Postal Laws and Regulations, published by the Postmaster-General for the joint protection of the Department and its employes.

"Regulations of the Post-Office Department.

"SPECIAL NOTICE.

"All instructions and regulations promulgated by the Postmaster-General, conformably to law, for the guidance of persons employed by the Department, are the law of the land, and entitled to the same respect and obedience as acts of Congress. Any disregard or disobedience of such regulations entails upon postmasters, contractors, and other employes of the Post-Office Department the same liabilities and penalties as a violation of any specific law of Congress. The following regulations and instructions are made for the purpose of organizing the business of the Department, and all official acts of the officers of the Department must be done and performed in strict conformity thereto. Every deviation from these instructions and regulations will be followed by appropriate penalties or punishment. (See note c to section 2, Postal Laws.)

"11. Bidders are cautioned to mail their proposals in time to reach the Department by the day and hour named, (3 p. m., October 30, 1871;) for bids received after that time will not be considered in competition with bids of reasonable amount received in time. Neither can bids be considered which are without the guarantee required by law, and a certificate of the sufficiency of such guarantee.

"15. Bidders are requested to use, as far as practicable, the printed proposals furnished by the Department, to write out in full the sum of their bids, and to retain copies of them.

"Altered bids should not be submitted; nor should bids once submitted be withdrawn. No withdrawal of a bidder or guarantor will be allowed unless the withdrawal is dated and received before the last day for receiving proposals.

"Each bid must be guaranteed by two responsible persons. The bid and guarantee should be signed plainly with the full name of each person.

"The Department reserves the right to reject any bid which may be deemed extravagant; and also to disregard the bids of failing contractors and bidders. (Act of July 2, 1836, section 24.)

"19. A modification of a bid in any of its essential terms is tantamount to a new bid and cannot be received, so as to interfere with regular competition. Making a new bid, with guarantee and certificate, is the only way to modify a previous bid."

The positive law and each of the above regulations, which contractors are especially notified "are the law of the land, and entitled to the same respect and obedience as acts of Congress," have been willfully violated. Had the Postmaster-General adhered to the law, instead of making it "bend" to his own inclinations, neither in this nor subsequent lettings would the Government have been the pecuniary sufferer. After Alman's known failure, or before it, it appears that many intermediate bids were withdrawn, and instead of going up the scale of bidders, as enjoined by joint resolution of May 5, 1870, and awarding to the next lowest bidder at \$170,000, according to the testimony of Giles A. Smith, the bidders on the ground (Washington) were given to the next morning to put in their proposals, in pursuance of a verbal conversation with the Postmaster-General. The contract was then awarded for the residue of the term, three and one-half years, at \$134,000 per annum. This was a private letting, and in direct violation of the joint resolution, and Mr. McLellan testifies: "I do not know of any law authorizing the Postmaster-General to make a contract for three years without advertising for bids, except steamboat routes." It is due to the Postmaster-General to say that it was more economical than if he had followed the letter of the law; but it was nevertheless a distinct violation of the law.

After these repeated and facile violations of the law and regulations, and their justification on the score that it was for the interest and protection of the Government, it is impossible for the minority of the committee to appreciate the tenacity with which the Postmaster-General adheres to what he claims to be the law, when it involves the Government in a vast and unnecessary expenditure of money.

The expenditure of Government money in increasing service is fully illustrated by reference to two routes, out of many that were put in evidence. The service from Mesilla to Los Angeles was let at \$124,000 per annum, and increased to \$214,000 per annum, equal to an increase of \$362,000 for the contract term. The route from Missoula to Walla Walla was let at \$22,000 per annum, and increased to \$71,000, equal to an increase of \$196,000 for the contract term. The steamboat or water route from New Orleans to Shreveport was let to a Mr. Peterson at \$30,000 per annum. Mr. McLellan testifies that "Postmaster-General Randall refused to put on the water service, as the other routes were sufficient to supply the service." The present Postmaster-General created a double service, and the compensation for the water route was a mere gratuity to Mr. Peterson. In reference to the additional cost for temporary service, which, it is charged, amounts to \$400,000 per annum in the States of Arkansas, Louisiana, and Texas, Mr. McKibben testifies that "I made an estimate from the principal routes in Texas. I took the bids of the parties who have been certified under oath before this committee to be responsible men, and added up the amounts of their bids. I then added up the amounts paid for temporary service, and it appears that the service in Texas could have been performed for one-half the present compensation."

The following statement of service in Texas was put in evidence:

	Cost of temporary service.	Rejected bids.
Route 8537, from San Antonio to Eagle Pass.....	\$17,612	\$10,700
Route 8538, from San Antonio to Fort Concho.....	63,730	22,900
Route 8539, from Fort Concho to El Paso.....	81,706	49,500
Route 8540, from Fort Concho to Fort Arbuckle.....	44,225	29,000
	207,273	112,100

In conclusion, the minority of the committee, in presenting this report to Congress, are compelled to state from the evidence that the system of fraudulent or straw-bidding has grown to its full volume under this administration. They believe that it is the direct result of excessive and unreasonable contracts given out by the Post-Office Department. They consider the refutation of the statement of Mr. Creswell, that he acted under the opinion of the Attorney-General, as complete, and they believe that opinion was obtained after the Postmaster-General had determined to change the practice of the Department, and now offered as an excuse and apparent justification therefor. They believe his action without justification in refusing to entertain the bids of reasonable contractors, which he could do under the established usage of the Department. They believe his violation of the law in the Oroville and Portland letting is proven beyond any doubt. They believe unreasonable expenditure in the land-routes to be fully established, and unnecessary and expensive service to have been established between New Orleans and Shreveport. They consider that, if the laws and regulations can be violated to save the money of the Government, the Postmaster-General is estopped from pleading them to justify extravagance in other cases; and while they are necessarily restricted in presenting the evidence, they believe that they have adduced sufficient to satisfy Congress that the Postmaster-General has so administered the affairs of the Post-Office Department as to at least merit their censure.

P. VAN TRUMP.
SAM'L J. RANDALL.
JOHN M. CARROLL.

LXXIV MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

[GENERAL NATURE—No. 50.]

AN ACT relating to proposals and contracts for transportation of the mails, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person or persons bidding for the transportation of the mails upon any route which may be advertised to be let, and receiving an award of the contract for such service, who shall wrongfully refuse or fail to enter into contract with the Postmaster General, in due form, and perform the service described in his or their bid or proposal, shall be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars, and by imprisonment for a term not exceeding twelve months.

SEC. 2. That each bid for carrying the mail shall hereafter have affixed to it the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability pecuniarily to fulfill his obligations, and that the bid is made in good faith and with the intention to enter into contract and perform the service, in case his bid shall be accepted; and that the signatures of his guarantors are genuine, and that he believes said guarantors pecuniarily responsible for and able to pay all damages the United States shall suffer by reason of the bidder's failing to perform his obligations as such bidder.

SEC. 3. That any postmaster or other officer of the Post-Office Department who shall affix his signature to the certificate of sufficiency of guarantors or sureties before the guaranty or contract is signed by the guarantors or sureties, or shall knowingly make any false or illusory certificate, shall be forthwith dismissed from office and shall be deemed guilty of a misdemeanor, and shall, on conviction thereof, be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both.

SEC. 4. That no bidder for carrying the mail shall be released from his obligation under his bid or proposal, notwithstanding an award made to a lower bidder, until a contract for the designated service shall have been duly executed by such lower bidder and his sureties, and accepted, and the service entered upon by the contractor to the satisfaction of the Postmaster-General.

SEC. 5. That after any regular bidder or contractor for the transportation of the mail upon any route shall have failed to enter into contract, and commence the performance thereof as herein provided, the Postmaster-General shall proceed to contract with the next lowest bidder for such service, who will enter into a contract and perform the same, unless the Postmaster-General shall consider such bid too high; in which case he shall re-advertise such service. And in all cases of regular contracts hereafter made, the contract may, in the discretion of the Postmaster-General, be continued in force beyond its express terms for a period not exceeding six months, until a new contract with the same or other contractors shall be made by the Postmaster-General.

SEC. 6. That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, and in case of new service not less than five per centum of the amount of one year's pay proposed in such bid if the bid exceed five thousand dollars per annum. In case any bidder, on being awarded any such contract, shall fail to execute the same with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited shall be returned to the bidder.

SEC. 7. That in case of the sickness, or unavoidable absence from his office, of the postmaster of any money-order post-office, he may, with the approval of the Postmaster-General, authorize the chief clerk, or some other clerk employed therein, to act in his place, and to discharge all the duties required by law of such postmaster: *Provided*, That the official bond given by the principal of the office shall be held to cover and apply to the acts of the person appointed to act in his place in such cases: *And provided further*, That such acting officer shall, for the time being, be subject to all the liabilities and penalties prescribed by law for the official misconduct, in like cases, of the postmaster for whom he shall act.

SEC. 8. That the Postmaster-General, whenever he may deem it consistent with the public interest, may accept new surety upon any contract existing, or hereafter made, for carrying the mails, in substitution for and release of any existing surety.

SEC. 9. That the Postmaster-General is hereby authorized to cause to be placed to the credit of the Treasurer of the United States, for the service of the Post-Office Depart-

ment, the net proceeds of the money-order business; and that the receipts of the Post-Office Department, derived from this source, during each quarter, shall be entered by the Auditor of the Treasury for the Post-Office Department, in the accounts of said Department, under the head of "revenue from money-order business."

Approved April 27, 1872.

EXHIBIT B.

FORTY-THIRD CONGRESS, FIRST SESSION.

HOUSE OF REPRESENTATIVES, *Monday, April 13, 1874.*

MAIL-CONTRACTS.

Mr. STONE. I move that the rules be suspended and the preamble and resolution adopted which I send to the Clerk's desk.

The Clerk read as follows:

Whereas it will be found that gross abuses and irregularities in the matter of mail-contracts existing in the Post-Office Department of the United States, a portion of which will more fully appear by reference to Executive Document No. 322, Forty-second Congress, second session, of date May 17, 1872, and an examination of the bids for mail-service from July 1, 1871, to June 30, 1873, and from July 1, 1871, to June 30, 1875, on mail-routes 7587, 7590, 7592, 7647, 8553, 8536, 8537, 8538, 8539, 8540, 8549, 8550, 8557, 8571, 8572, 8575, 8577, 8590, 8603, 8619, 8620, 8642, and 8646, that the aggregate bids for these mail-routes amount to \$48,490 per annum that the lowest bidders failed to execute contracts, and that contracts were made with one F. P. Sawyer, of Washington, District of Columbia, amounting in the aggregate to the sum of \$439,469; that upon mail-routes 7524, 7612, and 7613 the bids amount to \$2,350.01, and contracts were made with one Chidester for the sum of \$14,522; that upon mail-routes 8006, 8007, 8010, 8013, and 8014 the bids amount to \$25,700, and contracts were made with one Peterson aggregating the sum of \$101,500; that upon mail-routes Nos. 7603, 7604, and 7605 the bids amount to \$3,892, and contracts were made with one Vaile for the sum of \$14,100; that upon mail-routes 8082 and 8083 the bids amount to \$1,995, and contracts were made with one Davis for \$16,050; that the bids upon mail-routes 7596, 7595, 7523, 7524, 7506, 6631, and 14846 aggregate the sum of \$26,395, and that contracts were made with sundry persons named therein amounting to \$102,549; that the bids for service on these several routes amount in the aggregate to \$108,822.01, and that contracts were made for this service amounting to the sum of \$688,190, in violation, as is alleged, of the Postal Laws and Regulations of the Post-Office Department; and whereas it will be found upon examination of the manuscript in possession of the Committee on the Post-Office and Post-Roads that there has been paid to mail-contractors \$1,150,086.09 for services rendered for the quarter ending December 31, 1873, reported by the Auditor of the Treasury for the Post-Office Department, and paid by the Postmaster-General, between December 30, 1873, and January 10, 1874, as is alleged, in violation of section 264, page 195, of the Postal Laws and Regulations, and section 508, page 244, of the Postal Laws and Regulations; and whereas it will be found from examination of the manuscript abstract No. 4, in possession of the Committee on the Post-Office and Post-Roads, that the mail-routes established or ordered during the fiscal year ending June 30, 1873, other than those let to contractors at the annual letting; that the aggregate of the bids for mail-service on routes Nos. 8642, 8646, 7590, 7592, and 10843 amounts to \$8,597.74, and that contracts were made with one Sawyer for \$40,381.50; that the bids for mail-service on routes 7521, 7612, 7613, 7517, 7521, 7612, 7613, 7624, 7636, 7645, and 7598 amount to \$9,544.75, and contracts was awarded to one Chidester for the sum of \$42,998; and that bids for mail-service on mail-routes Nos. 14935, 6061, 6781, 6648, 8082, 8526, 7603, 7648, 7524, 7522, 7525, 7594, 7596, 10843, and 14905 amount to \$22,298, and that contracts were awarded to sundry persons for the sum of \$93,651; that the aggregate bids for the mail-service on the foregoing routes amount to \$40,440.49, and that contracts were made for this service for the sum of \$177,030.50, as is alleged, in violation of the Postal Laws and Regulations of the Post-Office Department; and whereas it will be found upon examination of manuscript report No. 5, in possession of the Committee on the Post-Office and Post-Roads, that service on mail-route No. 8031 was for twice a week, at an annual sum of \$3,900; that the service was expedited to six miles an hour and one additional trip per week, for which the contract-price was increased \$12,918.13; that the service on mail-route No. 8067 was for twice a week, at an annual sum of \$5,980; that the service was expedited to five miles an hour, for which an additional sum of \$7,840.45 is paid: Therefore,

LXXVI MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

Be it resolved, That the Committee on the Post-Office and Post-Roads be, and are hereby, instructed to make a thorough examination into the operations of the Post-Office Department, and to make to this House at the earliest possible moment a full report of their investigation, together with the testimony taken by them; and to that end the said committee shall have power to send for persons and papers, and, if deemed necessary by them, to employ an additional clerk and short-hand reporter; and that the said investigation shall be held publicly.

During the reading of the preamble

Mr. G. F. HOAR said: I rise to a question of order. How are this preamble and resolution before the House?

The SPEAKER. They were introduced by the gentleman from Missouri, (Mr. Stone,) by consent of the gentleman from Texas, (Mr. Giddings,) who yielded to him for that purpose.

Mr. G. F. HOAR. I might as well move "to suspend the rules and make the following speech," and then go on and give the speech.

Mr. STONE. Gentlemen have sent up bills to the Clerk's desk that have taken fifteen or twenty minutes to read. I can read this in five minutes, and yet gentlemen object to a resolution of inquiry.

Mr. TYNER. It is something more than a resolution of inquiry.

Mr. PACKER. The gentleman who offers this has had ample opportunity to make charges of this kind before the Committee on the Post-Office and Post-Roads. The matter is undergoing investigation, and is now being considered by that committee.

Mr. STONE. I object to debate.

Mr. HALE, of Maine. I object to the further reading of statements and argumentation in this preamble, because it is in the nature of debate, giving reasons why members should vote so and so upon the subject-matter.

Mr. RANDALL. It is immaterial if not true, and very material if true.

The SPEAKER. The Chair will not stop the reading on the point of order, although he will not say it is not well taken. The House will observe that this winds up with a resolution instructing the committee to investigate facts which the mover alleges to be true. The Chair cannot admit that the paper is in the ordinary form; it is in very extraordinary form.

Mr. RANDALL. It is a very extraordinary case.

The SPEAKER. That is a matter which the gentleman desires to have investigated. He sets out in the preamble with a statement that the facts are so and so, and then asks that an investigation be had.

Mr. STONE. I will change it from "it will be found" to "it is alleged," if that will make any difference.

The SPEAKER. That makes a great difference.

Mr. STONE. The facts are the same, and will be found so on an investigation. I did not choose to come before the House with a resolution instructing the committee unless I had something to direct the committee to act upon.

Mr. BUTLER, of Massachusetts. I move that the rules be so suspended that it may be read by its title.

The SPEAKER. The shortest way will be to read it through.

The reading was then concluded.

Tellers were ordered on seconding the motion to suspend the rules; and Mr. Packer and Mr. Stone were appointed.

The House divided; and the tellers reported that there were—yeas 72, noes 87.

So the motion was not seconded.

Mr. STOWELL. I desire to state that the Post-Office Committee have given the gentleman from Missouri [Mr. Stone] an opportunity to appear before them to-morrow.

Mr. BECK. I hope the Clerk will record the fact that every democratic vote was given in favor of this inquiry and every republican vote against it. Thank God for that.

Mr. STONE. I now ask that the preamble and resolution be referred to the Committee on the Post-Office and Post-Roads.

Mr. LUTTRELL. And I ask that they be printed.

Mr PAGE and others objected.

Mr. PACKER. I desire to say that if the gentleman from Missouri [Mr. Stone] will strike out the preamble which contains these charges, there will be no objection at all to the adoption of the resolution.

The SPEAKER. The gentleman from Pennsylvania, [Mr. Packer,] chairman of the Committee on the Post-Office and Post-Roads, suggests that the resolution directing the investigation (without the preamble assuming the charges to be true) may be adopted. Is there objection?

Several MEMBERS. None.

The SPEAKER. If there be no objection, the resolution will be adopted without the preamble, which assumes the charge to be true.

Mr. BECK. The preamble does not so assume.

Mr. LUTTRELL. I insist on having the preamble and resolution printed.

Several members objected.

Mr. SPEER. I ask that the resolution be read, so that we may see whether, apart from the preamble, it refers anything to the committee.

The Clerk read as follows:

Resolved, That the Committee on the Post-Office and Post-Roads be, and are hereby, instructed to make a thorough examination into the operations of the Post-Office Department, and to make to this House at the earliest possible moment a full report of their investigation, together with the testimony taken by them; and to that end the said committee shall have power to send for persons and papers, and, if deemed necessary by them, to employ an additional clerk and short-hand reporter; and that the said investigation shall be held publicly.

Mr. LUTTRELL. Now, I ask that the preamble and resolution may be printed.

The SPEAKER. The gentleman's colleague [Mr. Page] objects.

Mr. LUTTRELL. What gentleman from California objects?

Mr. PAGE. I object.

Mr. DURHAM. I wish to make a parliamentary inquiry. Were not the preamble and resolution read by consent of the House? and do they not, by virtue of that fact, go into the Record?

The SPEAKER. They do; and also into the Journal.

Several MEMBERS. That is all that is necessary.

The SPEAKER. The Chair declined, upon the point of order made by the gentleman from Maine, [Mr. Hale,] to prohibit the reading of the preamble, but he said he would not have it understood that it might not be ruled out. The Chair sees no such connection between the preamble and the resolution as would have enabled the preamble, on strict construction of the rules, to be introduced; because the resolution does not recite the preamble; it stands as a distinct substantive proposition, having no connection with the preamble. But the Chair did not desire to have it ruled out on the point of order, although his opinion is that it was not properly a part of the resolution.

Mr. DURHAM. I make the point of order that there was no objection—

The SPEAKER. There is no point of order for the gentleman to make. The preamble and resolution will appear in the Record and the Journal. The Chair simply desired to place himself right. He did not rule out the preamble, although, according to strict parliamentary law, he ought to have done so.

Mr. PAGE. I desire to say that information, emanating as I understand from my colleague, [Mr. Luttrell,] has reached my own State through the associated press of the country, that an investigation has been going on for the last two weeks before the Committee on the Post-Office and Post-Roads in reference to this very subject.

Mr. LUTTRELL. I desire to say that I know nothing about any such dispatch; and the gentleman has no authority for his assertion. He is very sensitive on these questions.

The SPEAKER. The Chair desires to say that to make a preamble in order, it must connect itself directly and necessarily with the resolution; and gentlemen will have observed, from the reading of this resolution, that it is a substantive, independent proposition, not reciting the preamble, nor referring to it in any way.

Mr. PAGE. I wish to make an explanation to this House. I think it is the duty of the House to listen to it; and I think that this explanation should be made now.

Over two weeks ago my colleague [Mr. Luttrell] came before the Committee on the Post-Office and Post-Roads preferring certain charges. He was requested by the committee to submit his charges in writing and sign them.

Mr. LUTTRELL. Did I not do so?

Mr. PAGE. My colleague must excuse me. He came there at different times when the committee was not in session—when no quorum was present. Immediately telegrams were sent out to California stating that Mr. Luttrell was endeavoring to get an investigation before the Committee on the Post-Office and Post-Roads, and that he could not obtain a hearing; which was false.

Mr. LUTTRELL. That is untrue.

Mr. PAGE. About a week ago he was requested to submit those charges to the Committee on the Post-Office and Post-Roads, which he has done. It was then agreed that on Tuesday, that is to-morrow, morning my colleague [Mr. Luttrell] with the gentleman from Missouri [Mr. Stone] should appear before that committee and make and substantiate the charges contained in their written statements. They have appeared here to-day to ask the House to take cognizance of what the Committee on the Post-Office and Post-Roads are prepared to go on with.

Mr. LUTTRELL. I wish to say this to the House: The gentleman is very sensitive on all these questions. I stated to him and to the committee that serious charges had been preferred to me about certain post-office transactions. I was not disposed to, and I did not, implicate the Postmaster-General. I believe he was innocent; but I do believe that a post-office ring has been formed which has defrauded the Government of the United States of thousands and thousands of dollars during the last year. I stated that it was the common talk all around the House.

Now, Mr. Speaker, I went before the Committee on the Post-Office and Post-Roads as

LXXVIII MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

I had agreed to, but the gentlemen of the committee did not put in an appearance, and there was no quorum. One member of the committee, the gentleman from Pennsylvania, [Mr. Randall,] told me to come back on another occasion, and I have acted strictly in accordance with his request.

Mr. PAGE. I ask the gentleman from Missouri [Mr. Stone] whether he did not send for me. [Cries of "Order."]

The SPEAKER. The gentleman must not be interrupted.

Mr. LUTTRELL. I acted strictly in accordance with the request of the gentleman from Pennsylvania, [Mr. Randall,] and appeared before the committee and filed my charges. The gentleman from Missouri [Mr. Stone] has filed similar charges to-day; and we make these charges, Mr. Speaker, from the post-office books. We have the books to produce. And let me say here that I make these charges on the authority of the very best men in my State. I make them on the authority of the very best republicans in my State—republicans, too, Mr. Speaker, who would be ashamed of the action of my colleague here to-day. I make them in behalf of republicans of California who stand firm to their party—republicans, sir, who are honest in heart and sentiment, who have stood by the country in days gone by and who intend to stand by it in the future.

Mr. PAGE. That is something more than was ever done by my colleague.

Mr. LUTTRELL. That is the class of men I am representing. I have stated to the gentleman who they were.

Mr. PAGE. Which political party does my colleague represent on this floor?

Mr. LUTTRELL. I represent the workingmen of California, not the railroad "ring." I am against all the "rings." I represent the honest, hard-working people of California.

Mr. PAGE. I should like to ask my colleague what political party he represents on this floor?

Mr. LUTTRELL. I represent the democratic party—Newton Booth and the toiling, the hard-working men of California, which my colleague dare not say he does. I do not come here with the Leland Stanford and the Pacific Railroad collar around my neck, labeled with the badge of monopolies. I come here a workingman and as the representative of workingmen, irrespective of party. I tell my colleague and I tell the House that if the republican party here means to put down corruption, then I am for the republican party; but if it does not mean to put down corruption and fraud on the Government, but, on the contrary, to uphold these "rings," then I am against it.

Mr. PAGE. I desire to be heard. [Cries of "Order!"]

Mr. McNULTA. Hear him.

Mr. ATKINS. I call for the regular order of business. Each side has had its chance to be heard.

Mr. SENER. Hear both sides.

Mr. PAGE. I ask to be heard.

Mr. McNULTA. Hear him.

Mr. ATKINS. Both sides have been heard.

Mr. BUTLER, of Massachusetts. I rise to what I believe to be a privileged motion. I move that the preamble be not printed in the Record, and I move to suspend the rules if necessary for that purpose.

The SPEAKER. The Chair cannot entertain the motion, as he has already recognized the gentleman from Texas, [Mr. Giddings,] who has the floor on a motion to suspend the rules. The Chair understood the resolution to be unanimously agreed to, the preamble having been withdrawn.

Mr. BUTLER, of Massachusetts. Was the resolution withdrawn from the Record?

The SPEAKER. Not from the Record, but from action.

Mr. BUTLER, of Massachusetts. It should be withdrawn from the Record.

Mr. G. F. HOAR. I understand the Chair to state that the resolution was agreed to unanimously, but that was not my understanding.

The SPEAKER. The gentleman from Massachusetts states it was not his understanding that the resolution was agreed to unanimously. It will be again read.

Mr. PAGE. I desire to be heard for a few minutes.

Mr. COX. I have no objection to the gentleman's going on if opportunity be given for reply.

Mr. PAGE. I will endeavor to make it a reply to the gentleman.

Mr. COX. I do not object if the gentleman's colleague has an opportunity to reply to his speech.

Mr. PAGE. Mr. Speaker—

Mr. GIDDINGS. I do not yield further.

Mr. PAGE. I desire to send to the Clerk's desk to be read a telegram published in one of the California papers.

Mr. GIDDINGS. I object.

Mr. POTTER. I desire to say that the gentleman from Missouri [Mr. Stone] did not withdraw the preamble to the resolution, as the Chair stated.

The SPEAKER. The gentlemen will observe that neither the preamble nor the resolu-

tion is before the House, because the House refused to second the motion for the suspension of the rules. Then the chairman of the Committee on the Post-Office and Post-Roads suggested that the resolution, which was the only thing that proposed action, should be agreed to. And to that the Chair heard no objection.

Mr. DAWES. The resolution was offered by the gentleman from Pennsylvania, [Mr. Packer.]

The SPEAKER. The gentleman from Pennsylvania [Mr. Packer] proposed the resolution himself. The preamble and resolution, so far as the gentleman from Missouri [Mr. Stone] had offered them, were not before the House, because the House refused to second the motion for suspending the rules.

Mr. POTTER. That is as I understand it. But it is nevertheless true that the gentleman from Missouri did not withdraw the preamble to his resolution, and he desires to have it so understood.

The SPEAKER. But the Chair is not mistaken as to the fact that the gentleman from Missouri indicated his assent to the proposition of the chairman of the Committee on the Post-Office and Post-Roads.

Mr. STONE. My proposition was to refer the whole to the Committee on the Post-Office and Post-Roads, and I heard no objection to that; but I did not agree to the withdrawal of the preamble.

The SPEAKER. Did the gentleman object to the resolution being passed without the preamble?

Mr. STONE. I did not.

The SPEAKER. And the Chair furthermore understood the gentleman by a nod of the head to assent to the proposition of the gentleman from Pennsylvania, the chairman of the Committee on the Post-Office and Post-Roads, that the resolution should be agreed to.

Mr. STONE. I did.

The SPEAKER. Then, of course, the gentleman did as the Chair has stated.

Mr. STONE. I do not see it in that light.

Mr. RANDALL. The committee can take cognizance of the preamble, as it will be published in the Congressional Record.

Mr. G. F. HOAR. I make no objection to the resolution if it can be limited to the State of California, or such territory as the gentleman may specify. But I should think no gentleman in the House would assent to a resolution so broad as I understand this to be. I ask that it be again read.

The Clerk read as follows:

"Resolved, That the Committee on the Post-Office and Post-Roads be, and they are hereby, instructed to make a thorough examination into the operations of the Post-Office Department, and to make to this House at the earliest moment a full report of their investigation, together with the testimony taken by them; and, to that end, that said committee shall have power to send for persons and papers and, if deemed necessary by them, to employ an additional clerk and short-hand reporter, and that the said investigation shall be held publicly."

Mr. PACKER. The resolution ought to be limited to the mail-letting.

Mr. MAYNARD. I suggest that the whole resolution and preamble be referred to the Committee on the Post-Office and Post-Roads, that they may report on it.

Mr. GARFIELD. Let it be referred, striking out the portion in regard to an additional clerk and short-hand reporter.

Mr. ELDREDGE. I rise to a question of order. The Chair announced that the resolution, without the preamble, had been passed by unanimous consent. A debate arose; and I submit that it is now too late for the gentleman to object.

The SPEAKER. Not at all. If the Chair, in the confusion, did not hear the gentleman object, and the gentleman states that he did object, it is not too late.

Mr. MAYNARD. If I am recognized for the purpose, I would move that the rules be suspended, and that the resolution and preamble be referred to the Committee on the Post-Office and Post-Roads.

Mr. RANDALL. I desire to say a word in justice to the committee.

Mr. PAGE. I object. I desire to make a remark in answer to my colleague from California, [Mr. Luttrell,] and it is objected to on that side of the House.

Mr. TYNER. I appeal to the gentleman from California to allow the gentleman from Pennsylvania [Mr. Randall] to make a statement, for the reason that the gentleman from Pennsylvania was a member of the committee of the last Congress which had the same question under consideration.

Mr. PAGE. I withdraw my objection.

Mr. TYNER. I wish the House to consent that I may be heard for not over two minutes, after the gentleman from Pennsylvania shall have been heard.

Mr. RANDALL. I wish to say but one word in connection with this. I, of course, do not know whether these charges are true or false. It is stated that the proof of them is to be found in official documents. But I do wish to say one word in justice to the

committee. I believe there is no man on that committee who is not willing to give this subject a full, fair, and thorough investigation. I was a member also of the Committee on the Post-Office and Post-Roads during the last Congress. There was at that time an investigation touching some of these matters, and the committee were divided six to three. Six—the majority of the committee; that is, the republican side of it—rather sustained the Second Assistant Postmaster-General, and proposed certain legislation, which was subsequently adopted by Congress. But the three democrats, the minority of the committee, dissented from the conclusion and from the exoneration of the Post-Office Department in that particular.

Mr. BECK. Was the testimony ever printed?

Mr. RANDALL. The testimony was not printed, but the two reports will be found in a public document of last Congress, No. 53.

Mr. TYNER. I desire the attention of the House for but a moment. I was also a member of the Committee on the Post-Office and Post-Roads of the last Congress, and was present during the entire investigation to which the gentleman from Pennsylvania [Mr. Randall] has alluded. The charges came from a former member of this House, a gentleman, I believe, of the name of McKibben. A very thorough and searching investigation into nearly all the matters that were stated in the preamble to this resolution was made by that committee. I state, as my recollection of the facts, that the investigation was itself abandoned by the complainant, and that all the gentlemen of the committee agreed to the fact that while there might have been some rascalities and frauds committed on the Treasury of the United States, yet there was no stain whatever upon the Post-Office Department.

Mr. RANDALL. Suppose you read the minority report, and see if there are no reflections on the Post-Office Department.

Mr. TYNER. I have the report here, and I will refer to it in a moment. I only stated my recollection, and, of course, I may be mistaken. But I am satisfied that the investigation did develop the fact that there was a ring, which you may call "the post-office ring," and which did not embrace within it any person connected with the Post-Office Department, who had been committing frauds on the Treasury through the medium and instrumentality of what are known as straw-bids. Gross frauds evidently were committed, but I think the gentleman from Pennsylvania will agree with me in saying that the proof before the committee did not show that any gentleman in the Post-Office Department was connected with those frauds.

Mr. RANDALL. I do not wish to be understood as charging that the Postmaster-General was in any manner implicated in corruption; but I do say that the minority report, and I think justly, reflected on his management of the Post-Office Department, and that the whole committee thought that legislation was necessary so as to place it beyond the power of any Postmaster-General in the future to permit such things to be done.

My TYNER. Yes, Mr. Speaker; that investigation satisfied the committee of the necessity of changing the law in relation to the acceptance of bids, and the result was a passage of a law by the last Congress which has to a very considerable extent cut off what is known as straw-bidding.

Now, sir, when the preamble to the resolution was first presented to the House I suggested that it was something more than a resolution of inquiry, and objected to its consideration; and I voted with the majority in refusing to have it considered by the House; not because I did not want an investigation, but simply because I knew that the statements made in the preamble to the resolution were not warranted by the facts. But I was willing that the whole subject should be referred to the Committee on the Post-Office and Post-Roads. I approved of that action, and hope that that committee will thoroughly investigate the facts that may come before it.

One word more. I have here the report that was made during the last Congress upon this subject, and if the House will bear with me I will read it myself. It has reference to the whole subject which is embraced in what is known as the temporary service. Gentlemen suggest that I should send it to the Clerk's desk to be read, and I will do so and ask the Clerk to read the passage which I have marked.

The Clerk read as follows:

"It is not disputed that the Postmaster-General made the best terms for the Government for this temporary service which were obtainable. This service is generally being performed by the last regular contractors, who, having the lines or routes already stocked and organized, possess great advantages over other parties in proposals for brief or uncertain periods of service. And the complaint against the Postmaster-General seems to be that he 'ought to have taken the responsibility of contracting with the lowest bidder who would take the contract and perform the service for the term,' after the lowest or 'straw' bidder had failed, and that 'he should not have sought the opinion of the Attorney-General, nor observed it when obtained,' &c.

"The committee failed to arrive at that conclusion, and though it seems pretty certain that the Postmaster-General might have contracted with somebody, in most cases, for the term, at less rates than he contracted for the temporary service, the committee

believe that no officer of the Government could be justified in a violation of the law at his own option, because in his opinion he might thereby save money to the Government. Such a rule of duty once established for officers of the Government, the license of discretion once substituted for the rule of law, and there would be no such thing as accountability by the public servants.

"The committee are therefore of opinion that the course pursued by the Postmaster-General was not only justified by the circumstances and law, but was eminently wise and prudent.

"The Attorney-General of the United States is the law expositor and organ of the Government, and until his opinions are overthrown or reversed by the courts, they are regarded as authority by the different Departments of the Government.

"The committee have, as the practical result of their labors in this investigation, reported a bill which passed the House of Representatives by a unanimous vote, and which they believe, if enacted into a law, will in great measure, if not entirely, remedy the evil which is the subject of this report.

"J. F. FARNSWORTH, *Chairman*.

"JOHN HILL.

"JAS. N. TYNER.

"S. O. HOUGHTON.

"GINERY TWITCHELL.

"CHARLES H. PORTER."

Mr. RANDALL. I ask now that the minority report may be read.

Mr. TYNER. One word more and then I will yield the floor.

Mr. BECK. I want to ask the gentleman a single question, and it is, why was not the testimony taken by the committee of the last Congress printed?

Mr. TYNER. I will answer that by saying to the gentleman that my recollection is that none of the committee thought it worth while to print the testimony. The complaint was abandoned.

Mr. RANDALL. I call for the reading of the minority report.

Mr. TYNER. A single word more. My recollection is that the only point of difference between the majority and the minority of the committee was simply this: that the minority of the committee did not believe that the Postmaster-General had violated the law in the acceptance of bids; but that he ought to have taken the responsibility of preventing the letting of certain routes.

Mr. RANDALL. He ought to have stopped the plundering of the Treasury which these straw-bids have been the cause of.

Mr. TYNER. The gentleman may use that language if he is disposed to do so.

Mr. CONGER. I object to this political quarrel going on any further.

Mr. RANDALL. It is not a political quarrel.

Mr. STONE. I desire to put myself right. The gentleman from Indiana [Mr. Tyner] has asserted that what was in the preamble to the resolution was untrue. I hurl back that charge, and say that it is true, and I hold in my hand a document which will prove every word of it.

Mr. TYNER. The gentleman is mistaken. The gentleman from Indiana did not make such a statement, or if he did it was a slip of the tongue.

Mr. STONE. You made that assertion.

Mr. TYNER. The gentleman from Indiana said that he opposed the resolution because he knew that the facts stated in the preamble were not established by the investigation during the last Congress.

Mr. RANDALL. I ask, as an act of justice to the minority of the committee, that their conclusion be also read; it is very short.

The Clerk read as follows:

"In conclusion, the minority of the committee, in presenting this report to Congress, are compelled to state from the evidence that the system of fraudulent or straw-bidding has grown to its full volume under this Administration. They believe that it is the direct result of excessive and unreasonable contracts given out by the Post-Office Department. They consider the refutation of the statement of Mr. Creswell, that he acted under the opinion of the Attorney-General, as complete, and they believe that opinion was obtained after the Postmaster-General had determined to change the practice of the Department, and now offered as an excuse and apparent justification therefor. They believe his action without justification in refusing to entertain the bids of reasonable contractors, which he could do under the established usage of the Department. They believe his violation of the law in the Oroville and Portland letting is proven beyond any doubt. They believe unreasonable expenditure in the land-routes to be fully established, and unnecessary and expensive service to have been established between New Orleans and Shreveport. They consider that, if the laws and regulations can be violated to save the money of the Government, the Postmaster-General is estopped from pleading them to justify extravagance in other cases; and while they are necessarily restricted in presenting the evidence, they believe that they have adduced suffi-

LXXXII MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

cient to satisfy Congress that the Postmaster-General has so administered the affairs of the Post-Office Department as to at least merit their censure.

"P. VAN TRUMP.

"SAML. J. RANDALL.

"JOHN M. CARROLL.

Mr. PACKER. I desire to say, on behalf of the Committee on the Post-Office and Post-Roads of the present House, that they have furnished every facility to the gentlemen preferring these charges to substantiate them by evidence. The committee have shut out nothing which those gentlemen asked to present, and they have given them an attentive hearing every time they appeared before them.

Mr. RANDALL. I wish to corroborate that statement.

Mr. LUTTRELL. That is so; no one finds fault with the committee in that respect.

Mr. PAGE. I hold in my hand a telegraphic dispatch, sent at the instance of my colleague, [Mr. Luttrell,] in which it is stated that those gentlemen had consulted with the Postmaster-General in reference to these matters; that he acknowledged that the Department had committed a wrong, and at their request he would do no such wrong any more.

Mr. LUTTRELL. You have no right to make the statement that that dispatch was sent at my instance.

Mr. PAGE. That dispatch was sent out before my colleague submitted his charges at all.

Mr. STOWELL. And when he submitted his charges and we asked him to sign them he refused to do so.

Mr. PAGE, (to Mr. Luttrell.) Do you vouch for these charges?

Mr. LUTTRELL. Are you not a contractor, and so recorded here?

Mr. PAGE. Yes, sir.

Mr. LUTTRELL. That accounts for the milk in the cocoa-nut.

Mr. PAGE. And I have a right to be.

Mr. LUTTRELL. No, sir; you have no right to be.

Mr. PAGE. Whenever the gentleman wants to discuss my right to be so, he can do so before the House. I ask that this dispatch be read.

Mr. BECK. I object.

The SPEAKER. If there be no objection the preamble and resolution will be referred to the Committee on the Post-Office and Post-Roads without being adopted.

No objection was made.

[H. R. 3603.—Forty-third Congress, first session.]

In the House of Representatives, June 5, 1874. Read twice, recommitted to the Committee on the Post-Office and Post-Roads, and ordered to be printed.

Mr. PACKER, from the Committee on the Post-Office and Post-Roads, reported the following bill:

A BILL to amend sections two hundred and forty-five, two hundred and forty-six, two hundred and forty-seven, and two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June eighth, eighteen hundred and seventy-two.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section two hundred and forty-five, section two hundred and forty-six, section two hundred and forty-seven, and section two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June eighth, eighteen hundred and seventy-two, be amended to read as follows:

"SEC. 245. That every proposal for carrying the mail shall be accompanied by the bond of the bidder with sureties approved by a postmaster, and, in cases where the amount of the bond exceeds five thousand dollars, by a postmaster of the first, second, or third class, in a sum to be designated by the Postmaster-General in the advertisement of each route, to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties to be approved by the Postmaster-General, to perform the service proposed in his said bid, and further that he shall perform the said service according to his contract, then the said obligation to be void, otherwise to be in full force and obligation in law; and in cases of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service according to his contract, he and his sureties shall be liable for the

amount of said bond as liquidated damages, to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond, and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into contract and perform the service in case his bid is accepted."

"SEC. 246. That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken before an officer qualified to administer oaths, that they are owners of real estate, worth, in the aggregate, a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever."

"SEC. 247. That any postmaster who shall affix his signature to the approval of any bond of a bidder or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly or without the exercise of due diligence approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or both."

"SEC. 253. That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, and, in case of new or modified service, not less than five per centum of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds five thousand dollars. In case any bidder, on being awarded any such contract, shall fail to execute the same with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited shall be returned to the bidder. And if any regular contractor for the transmission of the mail upon any route shall fail or refuse to perform such service, the Postmaster-General shall proceed to contract with the next lowest bidder for such service at such regular letting, who will enter into contract, and perform the same, unless the Postmaster-General shall consider such bid too high; and in case such next lowest bidder shall refuse to enter into contract and perform the same, the Postmaster-General may then award such service and enter into contract with any other person or persons who will duly enter into contract and perform the same at a price not exceeding that bid by such next lowest bidder. And in case of failure thus to secure a contract and the performance of such service as required by law, the Postmaster-General shall proceed in like manner as soon as practicable, to offer the same to the several bidders at such letting, and also to all other persons competent to contract, at a price not exceeding the prices and sums bid at such letting, in the order of such bids, commencing at the next lowest bid and going up the said list of bids upon such route, unless he shall consider all such bids too high, until he shall secure a proper contract and the satisfactory performance of such service, preferring and giving to each of such bidders, respectively, the right, within such time as the Postmaster-General may designate, to accept such service, and enter into contract for the performance thereof at his or their original bid: *Provided, however,* That whenever a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding six months, until a letting under advertisement can take place: *And provided further,* That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service under the last preceding regular contract thereon."

LXXXIV MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

[HOUSE OF REPRESENTATIVES, *June 6, 1874.*

AMENDMENTS TO POSTAL CODE.

Mr. PACKER, from the Committee on the Post-Office and Post Roads, reported back, with a favorable recommendation, the bill (H. R. No. 3603) to amend sections 245, 246, 247, and 253 of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June 8, 1872.

The question was upon ordering the bill to be engrossed and read a third time.

The bill provides that section 245, section 246, section 247, and section 253 of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June 8, 1872, be amended to read as follows:

"SEC. 245. That every proposal for carrying the mail shall be accompanied by the bond of the bidder, with sureties approved by a postmaster, and, in cases where the amount of the bond exceeds \$5,000, by a postmaster of the first, second or third class, in a sum to be designated by the Postmaster-General in the advertisement of each route, to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties, to be approved by the Postmaster-General, to perform the service proposed in his said bid, and, further, that he shall perform the said service according to his contract, then the obligation to be void, otherwise to be in full force and obligation in law; and in case of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service according to his contract, he and his sureties shall be liable for the amount of said bond as liquidated damages, to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond, and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into contract and perform the service in case his bid is accepted.

"SEC. 246. That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken before an officer qualified to administer oaths, that they are owners of real estate, worth, in the aggregate, a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever.

"SEC. 247. That any postmaster who shall affix his signature to the approval of any bond of a bidder or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly or without the exercise of due diligence approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding one year, or both.

"SEC. 253. That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, and, in case of new or modified service, not less than five per centum of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds five thousand dollars. In case any bidder, on being awarded any such contract, shall fail to execute the same, with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited shall be returned to the bidder. And if any regular contractor for the transmission of the mail upon any route shall fail or refuse to perform such service, the Postmaster-General shall proceed to contract with the next lowest bidder for such service at such regular letting, who will enter into contract and perform the same, unless the Postmaster-General shall consider such bid too high; and in case such next lowest bidder shall refuse to enter into contract and perform the same, the Postmaster-General may then award such service and enter

into contract with any other person or persons who will duly enter into contract and perform the same at a price not exceeding that bid by such next lowest bidder. And in case of failure thus to secure a contract and the performance of such service as required by law, the Postmaster-General shall proceed in like manner, as soon as practicable, to offer the same to the several bidders at such letting, and also to all other persons competent to contract, at a price not exceeding the prices and sums bid at such letting, in the order of such bids, commencing at the next lowest bid and going up the said list of bids upon such route, unless he shall consider all such bids too high, until he shall secure a proper contract and the satisfactory performance of such service, preferring and giving to each of such bidders, respectively, the right, within such time as the Postmaster-General may designate, to accept such service, and enter into contract for the performance thereof at his or their original bid: *Provided, however,* That whenever a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding six months, until a letting under advertisement can take place: *And provided further,* That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service under the last preceding regular contract thereon."

Mr. PACKER. Mr. Speaker, no one who has given any attention to the frauds practiced upon the Government by means of fictitious or "straw" bidding at the lettings of mail-contracts can doubt the propriety, if not the necessity, for some additional legislation to aid the Post-Office Department in its effort to suppress it; and it will require but little explanation to show that the bill proposed by the Committee on the Post-Office and Post-Roads will close the door against very many at least of the abuses and fraudulent practices by which unscrupulous men have preyed upon the Treasury of the Government, and have sought to enrich themselves at the cost of the people.

From the earliest period in the postal history of the country it has been the policy of the Government to invite competition in bidding at all lettings of mail-contracts by advertisement, and to require that the contract should be awarded to the lowest bidder.

Previous to the mail-letting of 1871, the practice of the Department had varied in relation to the allotment of contracts where the lowest or accepted bidder made default, some of the Postmasters-General having held that they had the right, under such circumstances, to accept the next lowest bidder willing to perform the service, and to enter into contract with him without re-advertising the routes. That construction of the law, however, was regarded by others as being more than doubtful, and while it saved the cost of re-advertising, it was found that frequently the Department was met by the allegation that the transportation of the mails could have been secured at lower rates if the route had again been thrown open to competition.

Finding himself thus embarrassed by the conflicting views and variant practice of his predecessors, and confronted by the fact that a considerable number of the bidders for some of the largest mail-routes in the Southwest had failed to execute their contracts, the present vigilant head of the Department asked the opinion of the Attorney-General in relation to his powers and duties in the premises. In response to his inquiries, that officer, upon the 20th day of July, 1871, in an opinion in which he reviewed the several provisions of the acts of 1825, 1836, and 1845, then in force in relation to mail-contracts, decided that the Postmaster-General could only make a regular contract after advertisement in the manner prescribed by law, and with the lowest bidder, and in the event of the failure of such lowest bidder, the Postmaster-General had no discretion under the law, but was bound to re-advertise the route, making temporary contracts to supply the service until a regular letting could take place.

The result and practical operation of this ruling almost necessarily was that upon the large routes, employing a large number of men and stages and hundreds of horses, the other bidders not being bound and almost invariably refusing to accept a contract for less than the regular term of four years, the Department was obliged, in order to continue the service, to make the best terms it could with the former contractor, for he was the only person prepared to perform the work, and no one else would or could afford to purchase the necessary amount of stock for a temporary contract of a few months.

In many cases there is no doubt but these low bids, usually designated as straw-bids, were put in in the interest of the old contractors upon the route, who felt morally certain that the temporary contract could only be performed by them; but the bids being regular in form, and the lowest bidder having performed all the prerequisites prescribed by law, was entitled, as the law thus stood and as construed by the law-officer of the Government, to have his bid accepted and the contract awarded to him.

From time to time Congress has endeavored to break up this system, and has passed numerous enactments to prevent the repetition of these practices. The ingenuity, however, of the parties engaged in it has devised means to elude many of the provis-

LXXXVI MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

ions which it was hoped would successfully check it, and recent experience shows that some additional legislation is necessary to meet contingencies not fully foreseen and not sufficiently provided for.

One of the restrictions imposed upon bidders by section 245 of the Postal Code of June 8, 1872, provided—

“That every proposal for carrying the mail shall be accompanied by a written guarantee, signed by one or more responsible persons, and undertaking that, within such time after the bid is accepted as the Postmaster-General may prescribe, the bidder will enter into an obligation, with good and sufficient sureties, to perform the service proposed; and no proposals shall be considered unless accompanied by such guarantee.”

But upon this the value of the guarantee is made to depend mainly upon the amount of the bid, and if the bid is small, or, more expressively, if it is “straw,” the guarantee furnishes but little, if any, protection to the Government. Experience has shown, too, that among the thirty-five thousand postmasters scattered all over the country, some can be found who will certify to the sufficiency of guarantors, without exercising due care and diligence in making inquiry into the question of their responsibility.

By the bill just reported we require—

“That every proposal for carrying the mail shall be accompanied by the bond of the bidder, with sureties approved by a postmaster, and in cases where the amount of the bond exceeds \$5,000, by a postmaster of the first, second, or third class, in a sum to be designated by the Postmaster-General in the advertisement of each route, to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties to be approved by the Postmaster-General, to perform the service proposed in his said bid, and further that he shall perform the said service according to his contract, then the said obligation to be void, otherwise to be in full force and obligation in law; and in case of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service according to his contract, he and his sureties shall be liable for the amount of said bond as liquidated damages, to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith and with the intention to enter into contract and perform the service in case his bid is accepted.”

Thus it will be seen that the amount of the bond which is to be substituted in place of the guarantee provided for by the act of 1872 is to be fixed and designated by the Postmaster-General in the advertisement of each route; that the sureties are to be approved, where the amount of the bond exceeds \$5,000, by a postmaster holding his commission by appointment from the President, and of the first, second, or third class, and that they are to be bound in the whole penalty of the bond, not only for the execution of the contract by the bidder, but that he shall perform the service according to his contract.

By the amendment to the two hundred and forty-seventh section the bill provides:

“That any postmaster who shall affix his signature of the approval of any bond of a bidder or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly or without the exercise of due diligence approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and on conviction thereof be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding one year, or both.”

As an additional measure of protection the committee provide by their amendment of the two hundred and forty-sixth section—

“That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken before an officer qualified to administer oaths, that they are owners of real estate worth in the aggregate a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever.”

Another of the provisions heretofore relied upon as furnishing additional security and protection was the deposit of a certified check along with the bid. By the act of March 3, 1871, making appropriations for the service of the Post-Office Department, (16 Statutes at Large, page 571,) it was provided:

“SEC. 4. That all bidders upon every mail-route for the transportation of mails upon the same shall hereafter accompany their bids (where they exceed \$5,000) with a certified check or draft, payable to the order of the Postmaster-General, of some reliable banking-house or banking-institution, which check or draft shall not be less than 5 per

cent. on the amount that they would receive in any one year under such bid. In case any bidder, on being awarded any such contract, shall fail to enter into good and sufficient bonds to faithfully carry out such contract, such bidder or bidders shall forfeit the amount so deposited to the United States for the use of the Post-Office Department; otherwise such draft or check so deposited shall be returned to the bidder to whom it belongs."

Under this section, however, the amount of the certified check or draft was regulated by the amount of the bid, being for but "5 per cent. of the annual pay" designated by their bid; the deposit not being required at all if the bid was lower than \$5,000 per annum. The object of the law was therefore practically defeated by the straw-bidder either bidding below the \$5,000 or making the sum in addition so small that the 5 per cent. would be of no consequence.

The act of 1872 went one step further, however, and provided that bidders, where the annual compensation for the service on the route at the time exceeds \$5,000, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank for not less than 5 per cent. on the amount of the annual pay on such route at the time the bid is made, and in case of new service for not less than 5 per cent. of the amount of one year's pay proposed in such bids if the bid exceeds \$5,000 per annum.

In all cases of *new* service, then, it will be seen the act of 1872 was as defective as the act of 1871; and when it is remembered that all changes or alterations in the route itself, or in the kind or manner of service employed thereon, brings it within the classification officially regarded as "new service," it will be seen that in a majority of cases its provisions can be evaded in the same manner and just as effectively as were those of the act of 1871.

The bill now before the House requires, it will be seen, that in case of *new or modified service* the certified check or draft to be deposited shall not be less than 5 per cent. of the amount of the bond of the bidder required to accompany his bid; and as the amount of the bond is to be designated by the Postmaster-General in the advertisement for the letting, the amount of the check will be entirely under the control of the Department. That part of the section provides:

"That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of \$5,000, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than 5 per cent. on the amount of the annual pay on said route at the time such bid is made, and in case of new or modified service not less than 5 per cent. of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds \$5,000. In case any bidder on being awarded any such contract shall fail to execute the same, with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited shall be returned to the bidder."

The remaining part of this section supplies an omission in the Postal Code of 1872, by making provision, upon the terms and conditions stated, for making a contract where the contractor, having entered into the contract and commenced the service to the satisfaction of the Postmaster-General, afterward fails or refuses to perform such service. It provides that—

"If any regular contractor for the transmission of the mail upon any route shall fail or refuse to perform such service, the Postmaster-General shall proceed to contract with the next lowest bidder for such service at such regular letting."

These several provisions, it is believed, Mr. Speaker, will render many of the irregularities and practices to which these straw-bidders have resorted to overreach the Government impracticable, if not impossible, and will enable the Postmaster-General so to control the lettings of mail-contracts that honest bidders will not be at the mercy of these men of straw, and so that, being rid of these fraudulent bids, the Post-Office Department will be able to save thousands of dollars annually to the Treasury.

The bill was ordered to be engrossed and read a third time; and being engrossed, it was accordingly read the third time and passed.

Mr. PACKER moved to reconsider the vote by which the bill was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

LXXXVIII MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

[H. R. 3603.—43d Congress, 1st session.]

In the Senate of the United States.—June 18, 1874.—Read twice and referred to the Committee on Post-Offices and Post Roads.

AN ACT to amend sections two hundred and forty-five, two hundred and forty-six, two hundred and forty-seven, and two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June eighth, eighteen hundred and seventy-two.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section two hundred and forty-five, section two hundred and forty-six, section two hundred and forty-seven, and section two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June eighth, eighteen hundred and seventy-two, be amended to read as follows:

"SEC. 245. That every proposal for carrying the mail shall be accompanied by the bond of the bidder, with sureties approved by a postmaster, and in cases where the amount of the bond exceeds five thousand dollars, by a postmaster of the first, second, or third class, in a sum to be designated by the Postmaster-General in the advertisement of each route, to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties, to be approved by the Postmaster-General, to perform the service proposed in his said bill, and, further, that he shall perform the said service according to his contract, then the said obligation to be void, otherwise to be in full force and obligation in law; and in case of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service according to his contract, he and his sureties shall be liable for the amount of said bond, as liquidated damages, to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond, and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into contract and perform the service in case his bid is accepted."

"SEC. 246. That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken before an officer qualified to administer oaths, that they are owners of real estate, worth, in the aggregate, a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever."

"SEC. 247. That any postmaster who shall affix his signature to the approval of any bond of a bidder, or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly, or without the exercise of due diligence, approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars or by imprisonment not exceeding one year, or both."

"SEC. 253. That hereafter all bidders upon very mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, and, in case of new or modified service, not less than five per centum of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds five thousand dollars. In case any bidder, on being awarded any such contract, shall fail to execute the same, with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited shall be returned to the bidder. And if any regular contractor for the transmission of the mail upon any route shall fail or refuse to perform such service, the Postmaster-General shall proceed to contract with the next lowest bidder for such service, at such regular letting, who will enter into contract and perform the same, unless the Postmaster-General shall consider such bid too high; and in case such next lowest bidder shall refuse to enter into contract and

perform the same, the Postmaster-General may then award such service and enter into contract with any other person or persons who will duly enter into contract and perform the same at a price not exceeding that bid by such next lowest bidder. And in case of failure thus to secure a contract and the performance of such service as required by law, the Postmaster-General shall proceed in like manner, as soon as practicable, to offer the same to the several bidders at such letting, and also to all other persons competent to contract, at a price not exceeding the prices and sums bid at such letting, in the order of such bids, commencing at the next lowest bid and going up the said list of bids upon such route, unless he shall consider all such bids too high, until he shall secure a proper contract and the satisfactory performance of such service, preferring and giving to each of such bidders, respectively, the right, within such time as the Postmaster-General may designate, to accept such service and enter into contract for the performance thereof at his or their original bid: *Provided, however,* That whenever a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding six months, until a letting under advertisement can take place: *And provided further,* That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service under the last preceding regular contract thereon."

Passed the House of Representatives June 6, 1874.

Attest:

EDWARD MCPHERSON, *Clerk.*

[H. R. 3603. Forty-third Congress, first session.]

IN THE SENATE OF THE UNITED STATES.

JUNE 8, 1874.—Read twice and referred to the Committee on Post-Offices and Post-Roads.

JUNE 12, 1874.—Reported by Mr. Ramsey with amendments, viz: Strike out the part within [brackets] and insert the parts printed in *italics*.

AN ACT to amend sections two hundred and forty-five, two hundred and forty-six, two hundred and forty-seven, *two hundred and fifty-one*, and two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June eighth, eighteen hundred and seventy-two.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section two hundred and forty-five, section two hundred and forty-six, section two hundred and forty-seven, *section two hundred and fifty-one*, and section two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June eighth, eighteen hundred and seventy-two, be amended to read as follows:

"SEC. 245. That every proposal for carrying the mail shall be accompanied by the bond of the bidder, with sureties approved by a postmaster, and in cases where the amount of the bond exceeds five thousand dollars, by a postmaster of the first, second, or third class, in a sum to be designated by the Postmaster-General in the advertisement of each route, to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties to be approved by the Postmaster-General, to perform the service proposed in his said bid, and, further, that he shall perform the said service according to his contract, then the said obligation to be void, otherwise to be in full force and obligation in law; and in case of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service, according to his contract, he and his sureties shall be liable for the amount of said bond as liquidated damages to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond, and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into contract and perform the service in case his bid is accepted."

"SEC. 246. That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken be-

fore an officer qualified to administer oaths, that they are owners of real estate, worth, in the aggregate, a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever."

"SEC. 247. That any postmaster who shall affix his signature to the approval of any bond of a bidder, or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly, or without the exercise of due diligence, approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or both."

"SEC. 251. *That after any regular bidder, whose bid has been accepted, shall fail to enter into contract for the transportation of the mails according to his proposal, or, having entered into contract, shall fail to commence the performance of the service stipulated in his or their contract as therein provided, the Postmaster-General shall proceed to contract with the next lowest bidder for the same service, who will enter into a contract for the performance thereof, unless the Postmaster-General shall consider such bid too high, in which case he shall re-advertise such service. And if any such bidder, whose bid has been accepted, and who has entered into a contract to perform the service according to his proposal, and in pursuance of his contract has entered upon the performance of the service, to the satisfaction of the Postmaster-General, shall subsequently fail or refuse to perform the service according to his contract, the Postmaster-General shall proceed to contract with the next lowest bidder for such service, under the advertisement thereof, (unless the Postmaster-General shall consider such bid too high,) who will enter into contract and give bond, with sureties, to be approved by the Postmaster-General, for the faithful performance thereof, in the same penalty and with the same terms and conditions thereto annexed as were stated and contained in the bond which accompanied his bid; but in case each and every of the next lowest bidders for such service, whose respective bids are not considered too high by the Postmaster-General, shall refuse to enter into contract and give bond as herein required for the faithful performance of his contract, the Postmaster-General shall immediately advertise for proposals to perform the service on said route. Whenever an accepted bidder shall fail to enter into contract, or a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding six months, until a letting under advertisement can take place: Provided, however, That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service during the last preceding regular contract-term. And in all cases of regular contracts hereafter made, the contract may, in the discretion of the Postmaster-General, be continued in force beyond its express terms for a period not exceeding six months, until a new contract with the same, or other contractors, shall be made by the Postmaster-General.*"

"SEC. 253. That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, and, in case of new or modified service, not less than five per centum of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds five thousand dollars. In case any bidder, on being awarded any such contract, shall fail to execute the same, with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited [shall be returned to the bidder. And if any regular contractor for the transmission of the mail upon any route shall fail or refuse to perform such service, the Postmaster-General shall proceed to contract with the next lowest bidder for such service, at such regular letting, who will enter into contract and perform the same, unless the Postmaster-General shall consider such bid too high; and in case such next lowest bidder shall refuse to enter into contract and perform the same, the Postmaster-General may then award such service and enter into contract with any other person or persons who will duly enter into contract and perform the same at a price not exceeding that bid by such next lowest bidder. And in case of failure thus to secure a contract and the performance of such service as required by law, the Postmaster-

General shall proceed in like manner, as soon as practicable, to offer the same to the several bidders at such letting, and also to all other persons competent to contract, at a price not exceeding the prices and sums bid at such letting, in the order of such bids, commencing at the next lowest bid and going up the said list of bids upon such route, unless he shall consider all such bids too high, until he shall secure a proper contract and the satisfactory performance of such service, preferring and giving to each of such bidders, respectively, the right, within such time as the Postmaster-General may designate, to accept such service and enter into contract for the performance thereof at his or their original bid: *Provided, however, That whenever a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding six months, until a letting under advertisement can take place: And provided further, That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service under the last preceding regular contract thereon] and the checks or drafts deposited by all other bidders, on the same route, shall be returned to the [respective bidders making such deposits. No proposals for the transportation of the mails where the amount of the bond required to accompany the same shall exceed five thousand dollars, shall be considered, unless accompanied with the check or draft herein required, together with the bond required by a preceding section: Provided, That nothing in this act shall be construed or intended to affect any penalties or forfeitures which have heretofore accrued under the provisions of the sections hereby amended."*

Passed the House of Representatives June 6, 1864.

Attest:

EDWARD McPHERSON, Clerk.

IN SENATE, TUESDAY, June 16, 1874.

* * * * *

The PRESIDING OFFICER. The Clerk will report the amendment of the Senator from Minnesota.

The Chief Clerk read the proposed amendment, as follows:

"SEC. —. That section 245, section 246, section 247, section 251, and section 253 of the act entitled 'An act to revise, consolidate, and amend the statutes relating to the Post-Office Department,' approved June 8, 1872, be amended to read as follows:

"SEC. 245. That every proposal for carrying the mail shall be accompanied by the bond of the bidder, with sureties approved by a postmaster, and in cases where the amount of the bond exceeds \$5,000, by a postmaster of the first, second, or third class, in a sum to be designated by the Postmaster-General in the advertisement of each route, to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties to be approved by the Postmaster-General, to perform the service proposed in his said bid, and, further, that he shall perform the said service according to his contract, then the said obligation to be void, otherwise to be in full force and obligation in law; and in case of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service, according to his contract, he and his sureties shall be liable for the amount of said bond as liquidated damages to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond, and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into contract and perform the service in case his bid is accepted.

"SEC. 246. That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken before an officer qualified to administer oaths, that they are owners of real estate, worth, in the aggregate, a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever.

"SEC. 247. That any postmaster who shall affix his signature to the approval of any bond of a bidder, or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly, or without the exercise of due diligence, approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall

be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding one year, or both.

"SEC. 251. That after any regular bidder, whose bid has been accepted, shall fail to enter into contract for the transportation of the mails according to his proposal, or, having entered into contract, shall fail to commence the performance of the service stipulated in his or their contract as therein provided, the Postmaster-General shall proceed to contract with the next lowest bidder for the same service, who will enter into a contract for the performance thereof, unless the Postmaster-General shall consider such bid too high, in which case he shall re-advertise such service. And if any bidder, whose bid has been accepted, and who has entered into a contract to perform the service according to his proposal, and in pursuance of his contract has entered upon the performance of the service, to the satisfaction of the Postmaster-General, shall subsequently fail or refuse to perform the service according to his contract, the Postmaster-General shall proceed to contract with the next lowest bidder for such service, under the advertisement thereof, (unless the Postmaster-General shall consider such bid too high,) who will enter into contract and give bond, with sureties, to be approved by the Postmaster-General, for the faithful performance thereof, in the same penalty and with the same terms and conditions thereto annexed as were stated and contained in the bond which accompanied his bid; but in case each and every of the next lowest bidders for such service, whose respective bids are not considered too high by the Postmaster-General, shall refuse to enter into contract and give bond as herein required for the faithful performance of his contract, the Postmaster-General shall immediately advertise for proposals to perform the service on said route. Whenever an excepted bidder shall fail to enter into contract, or a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding six months, until a letting under advertisement can take place: *Provided, however,* That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service during the last preceding regular contract-term. And in all cases of regular contracts hereafter made, the contract may, in the discretion of the Postmaster-General, be continued in force beyond its express terms for a period not exceeding six months, until a new contract with the same or other contractors, shall be made by the Postmaster-General.

"SEC. 253. That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of \$5,000, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than 5 per cent. on the amount of the annual pay on said route at the time such bid is made, and, in case of new or modified service, not less than 5 per cent. of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds \$5,000. In case any bidder on being awarded any such contract, shall fail to execute the same, with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited, and the checks or drafts deposited by all other bidders, on the same route, shall be returned to the respective bidders making such deposits. No proposals for the transportation of the mails where the amount of the bond required to accompany the same shall exceed \$5,000, shall be considered, unless accompanied with the check or draft herein required, together with the bond required by a preceding section: *Provided,* That nothing in this act shall be construed or intended to affect any penalties or forfeitures which have heretofore accrued under the provisions of the sections hereby amended.

Mr. SHERMAN. If I understand the Senator from Minnesota, this is simply a bill proposing to guard against straw bids.

Mr. RAMSEY. That is it. It is the House bill on that subject, substantially, with an amendment added by the Committee on Post-Offices and Post-Roads of the Senate.

Mr. SHERMAN. I have no objection to that amendment, the committee having examined it.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota to the amendment of the Senator from Ohio.

The amendment to the amendment was agreed to.

[House of Representatives.—Report No. 775.—Forty-third Congress, 1st session.]

MAIL-CONTRACTS AND TEMPORARY SERVICE.

JUNE 20, 1874.—Laid upon the table and ordered to be printed.

Mr. PACKER, from the Committee on the Post-Office and Post-Roads, submitted the following report :

The Committee on the Post-Office and Post-Roads, to whom were referred, by the House of Representatives, the preamble and resolution offered by the Hon. William H. Stone, of Missouri, on the 13th day of April last, charging that "abuses and irregularities exist in the Post-Office Department in relation to certain mail-contracts, the payments to contractors and contracts for temporary service, therein designated, and instructing this committee to make an examination thereof," beg leave respectfully to report :

That having requested the attendance of Mr. Stone, the mover of the resolution, at their meetings, they proceeded, in his presence, to investigate and examine the testimony adduced by him, as well as all the official records and proceedings and other evidence material to the inquiry submitted to them.

The routes specified in the preamble, and in relation to which the irregularities were alleged to exist, are included in the advertisements of the Postmaster-General, dated September 30, 1870, inviting proposals for carrying the mails from July 1, 1871, to June 30, 1875, in the States of West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, and Texas ; and as it was alleged by Mr. Stone that the facts in relation to all the routes named by him are precisely similar, the history of one being that of all, and that he had selected the first upon his list (No. 7587) for the purpose of presenting and exhibiting the abuses and irregularities upon which he based his charges, your committee deem it proper to refer to all the material facts in reference to it somewhat in detail. Under this advertisement, upon route No. 7587, (previously numbered 7567,) from Fort Gibson, Cherokee Nation, to Sherman, Grayson County, Texas, two hundred and five miles and back, three times a week, with proposals invited to run by a schedule allowing forty-eight hours running time each way, sixty persons or firms became bidders, at prices running from \$900 to \$80,049 per annum, as follows, viz :

Bidders' names.	Sum per annum.	
Thompson, Pate & Monroe.....	\$80,049.	
Anderson Arnot.....	74,000.	
Jos. E. L. Rowland.....	34,000.	Invited service.
George W. Cook.....	31,500.	Forty-eight-hour schedule.
James B. Price.....	30,000.	
	60,000.	Invited service.
John Hughes & Co.....	29,500.	
J. S. C. Rowland.....	29,000.	
Reuben Middleton.....	26,000.	
John Hughes.....	23,500.	
George W. Cook.....	32,000.	
J. W. Johnson.....	21,200.	
	28,000.	Invited service.
William O. Osgood.....	20,300.	
D. D. Searle.....	20,000.	Invited service.
Adam E. Smith.....	20,000.	
	26,000.	Forty-eight-hour schedule.
Silas Wolverton.....	19,942.	
	24,972.	Invited service.
J. J. Gallaher.....	19,900.	Forty-eight-hour schedule.
James W. Parker.....	19,900.	
	23,900.	Forty-eight-hour schedule.
C. M. Lockwood.....	19,000.	
Bradley Barlow.....	19,000.	
	22,000.	Invited service.
Virgil W. Parker.....	18,970.	
	22,900.	In forty-eight hours.
F. C. Taylor.....	18,700.	
	21,800.	Forty-eight-hour schedule.
Leroy G. Terry.....	18,500.	
	27,000.	Forty-eight-hour schedule.
S. P. Wheeler.....	17,993.	
George Babcock.....	17,500.	
F. P. Sawyer, jr.....	17,450.	

XCIV MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

	\$20,000	Forty-eight-hour schedule.
C. W. Foster	17,000	
	22,000	Invited service.
J. T. Chidester	16,400	
	18,800	Forty-eight-hour schedule.
Charles H. Tanner	16,000	
	17,950	Forty-eight-hour schedule.
D. D. Searle	15,000	
Asa Truesdell	15,000	
Andrew Stewart	14,700	
	16,800	Forty-eight-hour schedule.
Jonathan Vaile	14,200	
Henry A. Burt	14,000	
	28,000	Forty-eight-hour schedule.
Charles H. Tanner	13,800	
	15,950	Forty-eight-hour schedule.
Samuel T. Scott	13,700	
	14,700	
J. J. Hinds	13,500	
M. H. Eggner	13,487.	Forty-eight-hour schedule.
William M. Griffith	13,100.	
U. E. Fisher	12,999.	
	12,999.	
	18,999.	Forty-hour schedule.
H. M. Vaile	12,000.	
J. J. Hinds	12,000.	
Charles H. Tanner	11,500.	
	13,400.	Forty-eight-hour schedule.
S. B. Anderson	10,900.	
	13,500.	Forty-eight-hour schedule.
B. F. Akers	10,900.	
Theodore Stemers	10,000.	
	11,500.	
M. H. Eggner	9,740.	
J. J. Cochran	7,990.	
J. J. Cochran	9,000.	Forty-eight-hour schedule.
A. E. Haskell	7,980.	
Blair & Annable	7,500.	
Henry C. Lovell	6,800.	
	8,600.	Forty-eight-hour schedule.
W. C. Galloway	6,300.	
	9,000.	Forty-eight-hour schedule.
Henry Gates	5,500.	
	8,500.	Forty-eight-hour schedule.
A. G. Allen	4,950.	
	7,200.	Forty-eight-hour schedule.
J. T. Watton	4,900.	
	6,000.	Forty-eight-hour schedule.
William Addoms	4,800.	
M. Bannister	3,000.	
	5,000.	Forty-eight-hour schedule.
Bracken & Hines	2,495.	Invited service.
J. A. Moore	1,000.	
	1,500.	Invited service.
William Wood	700.	
	900.	Forty-eight-hour schedule.

The proposal of William Wood, the lowest bidder upon this list, was duly executed in proper form, and had attached to it the guarantee required by law, signed by D. S. Freeman and James W. Christie, who described themselves as residents of Baxter Springs, State of Kansas, and therein "undertake, that if the foregoing bid for carrying the mail on route 7587 be accepted by the Postmaster-General, the bidder shall, prior to the 1st day of July, 1871, enter into the required obligation or contract to perform the service proposed, with good and sufficient sureties."

To this guarantee was annexed a certificate of I. Frank McDowell, judge of probate in and for the county of Cherokee, State of Kansas, with the seal of the court attached, in which he certified, "under his oath of office, that he is acquainted with the above guarantors, and knows them to be men of property, and able to make good their guarantee, and that the bidder and guarantors are above the age of twenty-one years."

All the forms prescribed by law and the regulations of the Department having thus

been complied with, the Postmaster-General felt himself bound, under the construction given by the Attorney-General to the several acts of Congress then in force in relation to mail-contracts, to accept this bid, and award the contract upon this route to William Wood, as the lowest bidder.

A contract having been prepared and sent, in accordance with the practice of the contract-office, to the postmaster at New Braunfels, Tex., the post-office address given by the bidder, for the purpose of having it signed, that officer after an unsuccessful effort to find Mr. Wood, returned it, by his letter of June 12, 1871, to the Department, unexecuted, stating the fact of his inquiry for and his inability to discover any trace of the bidder.

So important had this route become, as the principal line of communication from Saint Louis and the entire North and West with the interior of Texas, and as the connecting-link between the Missouri, Kansas and Texas Railroad on the north and the Central Texas Railroad on the south, occupying the ground since covered by the completion of the railroads then in process of construction, and furnishing the principal if not the only postal facilities so urgently demanded by the rapidly increasing population and business interests of that section of the country, that the Post-Office Department had previously, some seven months before, found it necessary both to expedite the time and to increase the service to six trips a week.

Under the decision of the Attorney-General, before referred to and to be hereinafter cited more at length, this failure of the bidder then presented the alternative of an abandonment of this important route or the employment of temporary service until a contract could be secured, under a new advertisement, for the remaining portion of the regular contract-term. A proper regard for the interests of the people who were dependent upon it for their postal facilities forbade the former, and the Department, through the postmaster at the head of the route, made the necessary arrangement for the continuance of the service by the former contractor, temporarily, for six times a week, by a schedule of forty-eight hours running-time, at the rate of \$34,296 per annum; being the same rate of compensation at which the contract had been awarded at the letting, under the advertisement of October 31, 1866, and at which the contractor had carried the mail during the preceding contract-term of four years.

The route was immediately re-advertised, with the same notice to bidders as under advertisement of September 30, 1870, and with similar service prescribed. At this letting twenty-three bids were received, varying from \$32,193 to \$2,773 per annum, viz :

F. P. Sawyer	\$32,193	Adam E. Smith.....	\$18,000
D. D. Searle	29,000	Delos T. Parker	17,500
Bradley Barlow	29,000	Andrew J. Wheeler	16,000
A. W. Harman	29,000	J. W. Parker	15,500
Adam E. Smith.....	29,000	Henry Tisdale	14,750
C. M. Lockwood	24,400	C. T. Brown.....	13,900
C. C. Huntley	24,333	C. M. Lockwood	11,900
Charles D. Woolworth	23,750	L. T. Anderson	11,000
J. C. Pritchard	22,800	W. N. A. Norton.....	9,865
Ulysses E. Fisher	22,337	P. J. Garrett	5,373
Thomas Marcum.....	20,000	J. C. Murdock.....	2,773
M. M. Long.....	19,000		

The bid of J. C. Murdock was in due and proper form, with William H. Suter and S. S. Pleasants as guarantors, and had attached the certificate of H. C. Bingham, postmaster at Talladega, Ala., certifying, under his oath of office, that he was acquainted with the above-named guarantors, and knew them to be men of property and able to make good their guarantee, and that the bidder and guarantors were above the age of twenty-one years. This being entirely regular in every respect and properly certified as prescribed by law, and being the lowest offered, was accepted by the Department.

On the 3d January, 1872, the postmaster at Fort Gibson Court-House reported that the accepted bidder, J. C. Murdock, not having made his appearance and not having been heard from, he had continued to deliver the mail to the old contractor, F. P. Sawyer, on route 7587, from that place to Sherman, Tex. This action was approved by the Department, the route having been ordered to be again advertised, and the temporary service was continued at the same rate.

The Missouri, Kansas and Texas Railroad having been extended forty miles, the route was curtailed April 1, 1872, to begin at Micco, and a *pro-rata* reduction of \$6,992 per annum was made from the contractor's pay.

Under this advertisement 18 bids were received, the highest being for \$29,000 and the lowest \$3,400.

The Postmaster-General having discovered that the names of the postmasters appearing upon the certificates annexed to the proposals of the lowest bidder, William White, and of the next lowest bidder, E. G. Butts, were forgeries, and put there without their consent, accepted the next lowest bidder, and he having also failed to enter into con-

tract, the Department then proceeded, under the provisions of the act of Congress approved April 27, 1872, (Statutes at Large, volume 17, page 56, section 5,) to offer the contract for the service to the next lowest bidder who would enter into such contract, sending a notice to each one of the several bidders at said letting. To this notice no one responded but F. P. Sawyer, who agreed to accept the service and enter into contract at the price stated in his bid, and it was accordingly awarded to him at the sum of \$23,314 per annum, being the *pro rata* of his bid of \$29,000, after deducting the forty miles curtailment of the route before referred to.

On the first of October, 1872, the Missouri, Kansas and Texas Railroad having been farther extended, the length of the route was diminished 78 $\frac{1}{4}$ miles, and a *pro-rata* reduction of \$11,127 per annum was made from the contract-price. On the 11th January, 1873, a further diminution of 76 $\frac{1}{4}$ miles was made in the distance and a corresponding reduction of \$10,774 in the contractor's pay, and on the 3d of May, 1873, a through-line of railway having been completed, the whole service upon this route was discontinued, and the contract annulled.

The facts and proceedings relating to the lettings of the other routes specified in the preamble, and the employment of the temporary service rendered necessary by the failure of bidders to enter into contract and perform the service, are substantially the same, and furnish a fair illustration of some, at least, of the annoyances and difficulties to which the Post-Office Department was constantly exposed under the system of "straw-bidding" to which it was subjected.

The present Postmaster-General has, since he assumed the administration of the affairs of the Post-Office Department, frequently called the attention of Congress to these irregularities and abuses, recommending from time to time such legislation as was suggested by the experience of the Department, for the purpose of preventing, if possible, their continuance and repetition, and, so far as your committee have been able to discover, after a very full and careful investigation, they believe he has, with an energy and industry worthy of special commendation, faithfully striven to protect the Government from serious losses, which would otherwise have been sustained in consequence of these unlawful combinations and illegal practices.

Under this advertisement of 2,414 routes, at least 20,000 bids were received and examined, and as soon as it became manifest that the lowest bidders upon a number of them, including all of those embraced by Mr. Stone in his charges, would fail to enter into the contract, which was directed to be executed prior to the 1st day of July, 1871, the Postmaster-General at once proceeded to lay all the facts before the Attorney-General of the United States, for the purpose of obtaining his opinion as to the true interpretation of the laws bearing upon the subject, and of being officially advised as to the proper course for the Department to pursue under the circumstances for the protection of the interests of the United States and the rights of honest, *bona-fide* bidders.

In reply to the communication of the Postmaster-General, the Attorney-General submitted the following opinion:

Opinion of Hon. A. T. Akerman, Attorney-General, under date of the 22d July, 1871, in answer to the Postmaster-General's letter of the 19th of the same month.

"DEPARTMENT OF JUSTICE, July 22, 1871.

"SIR: Your letter of the 19th instant, after stating the difficulties which have arisen in your Department in consequence of fictitious or 'straw' bids for contracts for carrying the mails, propounds to me certain questions, as follows:

"First. Is the Postmaster-General authorized to make any contracts for the conveyance of mails, other than for temporary service, except under or in pursuance of bids received, after inviting them by advertisement; or, more particularly, if the lowest bidder at an "annual letting" fails to enter into contract and perform service, can the Postmaster-General legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term, without re-advertising; or, is it lawful, after once advertising and failing to secure a contractor, to contract with a party who has not been a bidder on a proposition informally submitted, for the contract term'?

"When an accepted bidder fails to enter into an obligation with sufficient sureties for the performance of the service, the 27th section of the act of July 2, 1836, (5 U. S. Stat., 86,) requires the Postmaster-General 'to contract with some other person or persons for the performance of the service.'

"What authority has the Postmaster-General in contracting under such circumstances? Three answers have been suggested: first, that he must contract with the next lowest bidder; second, that he has an unlimited discretion as to the contractor and the terms; third, that he must advertise anew, and award the contract to the lowest bidder under the new advertisement.

"The act of July 2, 1836, section 24, (5 U. S. Stat., 86,) and the act of March 3, 1845, section 18, (5 U. S. Stat., 738,) gives the contract to the lowest bidder. No statute

authorizes an alternative acceptance of the next lowest or of any other bid. The contract is offered to the lowest bidder. The bids are tendered for acceptance only in the event that they shall prove to be the lowest, and by the acceptance of one as the lowest the others are discharged. Thenceforth the law looks only to the successful bidder, and while it holds him and his guarantors responsible for his failure to complete the contract for the performance of the service, (act of March 3, 1825, section 44, 4 U. S. Stat., p. 114; act of July 2, 1836, section 27, 5 U. S. Stat., p. 86,) it does not hold the other bidders in waiting to supply his default. These others have no further claim upon the Government, and the Government has no further claim upon them.

"The construction that gives to the Postmaster-General an unlimited discretion upon the failure of the accepted bidder to complete the contract leaves in operation much of the mischief which the laws on the subject of advertisements and bids were designed to suppress. It was the policy of those statutes to subject the Postmaster-General to a rigid rule in the matter of contracts for the carrying of the mail; and that policy is practically overturned if a single fictitious bid remits the contract to his discretion.

"An unqualified direction that he shall contract must be taken to signify that he shall contract according to the general rule of mail-contracts, to wit, after advertisement and with the lowest bidder, (act of March 3, 1825, section 10, 4 U. S. Stat., 104.) The 23d section of the act of July 2, 1836, (5 U. S. Stat., 85,) especially provides for advertisement whenever it becomes necessary 'to enter into a contract for the transportation of the mail at any other time than the annual letting,' (temporary contracts alone excepted,) a provision which seems to have been contrived for such cases as that now under consideration. From an early period the law has required advertisements for mail-contracts. (See act of February 20, 1792, section 6, 1 U. S. Stat., 234; act of May 8, 1794, section 6, *ibid.*, p. 358; act of April 30, 1810, section 8, 2 U. S. Stat., 595, and the acts above cited.) The object is manifest—to get for the Government the benefit of competition. From necessity an exception is allowed in the case of temporary contracts, (act of July 2, 1836, sec. 23;) but a construction which admits the fewest exceptions, and leaves the least to the discretion of the Postmaster General, is most in accordance with the general policy of the law.

"I am thus brought to the third of the suggested answers, and adopt it as the most conformable, both to the letter and to the general policy of the law. The most plausible objection to it is that it exposes the Department to the vexation of a second fictitious bid. But I do not feel authorized to reject a conclusion, otherwise satisfactory, for the reason that it places a second effort to effect the contract in the same danger as the first.

"On account of the loss of time in the first effort, the second offer of the contract must frequently be for less than a full term, and it could not have been the intention of Congress to guard the less by precautions not thrown around the greater. The failing bidder and his guarantors are made liable for the whole difference between his bid and the amount for which, on his failure, the Postmaster-General contracts, (act of July 2, 1836, section 27.) It is not probable that Congress intended that the amount of this liability should depend on the mere discretion of the Postmaster-General.

"There would be no inconvenience under present legislation if the Department could make sure of the responsibility of the guarantors; but I am informed that no precautions yet devised have been found effectual to this end. Congress can easily provide a remedy; and until that shall be done, I see no way to protect the Department from any occasional imposition through fictitious bids.

"Hence, by way of specific answers to your questions, I am of opinion that you are not authorized to make any contracts for the conveyance of mails, other than for 'temporary' service, except under or in pursuance of bids received after inviting them by advertisement. If the lowest bidder at an 'annual letting' fails to enter into contract and perform service, you cannot legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising. It is not lawful after once advertising and failing to secure a contractor to contract with a party who has not been a bidder on a proposition informally submitted for the contract term.

"Your letter also contains the following inquiries:

"Second. What meaning is to be attached to the word 'temporary,' as used in the proviso to the twenty-third section of the act of July 2, 1836? Can it be made to authorize a period of one year, so as to terminate a contract at the next annual letting; or is it limited to the time actually necessary to advertise—four weeks—and go through the process of opening, deciding, and awarding, as detailed in the law?

"I am of the opinion that, except in the case hereinafter mentioned, this word should not be construed to authorize a discretionary contract for a term extending beyond the time when the next annual letting will take effect, but that the Postmaster-General has a discretion within that limit to advertise immediately or to wait until the time for the usual annual advertisement. The exception to this rule is when the exigency arises too late in the contract year for the advertisement and letting to be completed

before the beginning of the next year, in which case the right to make temporary contracts extends through the succeeding year.

"This word must be construed not merely with reference to the class of cases which has occasioned your present call for an opinion, but in reference to any other case of an interruption in the regular mail-service for which a temporary contract must provide. For illustration, in the accidents to which mail-service is liable, an interruption might occur six weeks before the time when the new regular contracts would take effect. Four weeks would be required for advertisement. Congress could not have intended to subject the Postmaster-General to the necessity, in such a case, of increasing the expense of advertising for a service merely of two weeks, and for so brief a service it is not likely that advertisement would produce bids advantageous to the Government.

"When, however, the occasion for a temporary contract arises so long before the annual letting as to justify the expense of advertising, and to make it probable that a saving to the Government would be effected by inviting bids, the Postmaster-General would, no doubt, feel disposed to conform as closely as possible to the general policy of the law, which is, that mail-service shall be generally performed by the person who will be found to do it for the least money, after public advertisement.

"Very respectfully, your obedient servant,

"A. T. AKERMAN,
"Attorney-General.

"Hon. J. A. J. CRESWELL,
"Postmaster-General."

Under this interpretation of the law as it then stood it will be seen that but little if anything was left to the discretion of the Postmaster-General. He had no authority to disregard the rule thus defined, nor to accept any other bid upon the list in place of the failing bidder, and his plain duty was to execute the law as he found it. That he and his assistants in the Department made every effort within the scope of their authority to detect and prevent fraudulent bidding, and that they honestly endeavored to perform their whole duty faithfully and in the best interests of the Government, the evidence taken in this investigation leaves no room to doubt. And while the prices paid for temporary service, in some of the cases in which it became necessary to employ it, were higher than a portion of the lowest, and probably irresponsible, bids for the regular service of four years upon the same route, yet the testimony proved very conclusively that the temporary contract—the only one the Postmaster-General was then authorized to make—was uniformly given to the lowest bidder for that kind of service, and that in no case was it awarded at a price in excess of what was believed to be a fair and reasonable compensation for such service.

In his annual report of 1871, extended reference was also made by the Postmaster-General to the fictitious bids received under the advertisement of September 30, 1870, upon these and other routes, and several amendments to the postal laws were suggested for the purpose of securing a fair competition among responsible parties who would be willing and able to perform the required service for a fair price. The act of Congress of April 27, 1872, before referred to, and the act of June 8, 1872, "to revise, consolidate, and amend the statutes relating to the Post-Office Department," which followed soon after, contained important and salutary changes in the law upon that subject, and were intended to reform the abuses then known to exist. But further examination, aided by the light of more recent experience, has shown that a proper regard for the interests of the Government imperatively demand some additional protection for the Post-Office Department against the fraudulent practices and ingenious devices of men who, encouraged by past success, may again be disposed to combine and confederate together for the purpose of preventing competition and of defeating honest bidding at the regular lettings of mail-contracts, and your committee have therefore devoted much of their time, since the commencement of the session, to the examination of the subject and the consideration of measures designed to effect that most desirable object.

The bill which they had the honor to report, and which was unanimously passed by the House on the 6th instant, will, it is believed, if it should become a law, place in the hands of the Department the power to protect the Government from these frauds in the future, and will render the successful repetition of such disgraceful irregularities and combinations among bidders as have been practiced in the past, absolutely impossible.

The following is the bill at length:

IN THE HOUSE OF REPRESENTATIVES, June 5, 1874.

Read twice, recommitted to the Committee on the Post Office and Post-Roads, and ordered to be printed.

Mr. PACKER, from the Committee on the Post-Office and Post-Roads, reported the following bill:

A BILL to amend sections two hundred and forty-five, two hundred and forty-six, two hundred and forty-seven, and two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," approved June eighth, eighteen hundred and seventy-two.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section two hundred and forty-five, section two hundred and forty-six, section two hundred and forty-seven, and section two hundred and fifty-three of the act entitled 'An act to revise, consolidate, and amend the statutes relating to the Post-Office Department,' approved June eighth, eighteen hundred and seventy-two, be amended to read as follows:

"SEC. 245. That every proposal for carrying the mail shall be accompanied by the bond of the bidder with sureties approved by a postmaster, and, in cases where the amount of the bond exceeds five thousand dollars, by a postmaster of the first, second, or third class, *in a sum to be designated by the Postmaster-General in the advertisement of each route*, to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties to be approved by the Postmaster-General, to perform the service proposed in his said bid, and further that he shall perform the said service according to his contract, then the said obligation to be void, otherwise to be in full force and obligation in law; and in case of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service according to his contract, he and his sureties shall be liable for the amount of said bond as liquidated damages to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond, and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into contract and perform the service in case his bid is accepted.

"SEC. 246. That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken before an officer qualified to administer oaths, that they are owners of real estate, worth, in the aggregate, a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever.

"SEC. 247. That any postmaster who shall affix his signature to the approval of any bond of a bidder or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly or without the exercise of due diligence approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or both.

"SEC. 253. That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, and, in case of new or modified service, not less than five per centum of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds five thousand dollars. In case any bidder, on being awarded any such contract, shall fail to execute the same, with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of

the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited shall be returned to the bidder. And if any regular contractor for the transmission of the mail upon any route shall fail or refuse to perform such service, the Postmaster-General shall proceed to contract with the next lowest bidder for such service at such regular letting, who will enter into contract and perform the same, unless the Postmaster-General shall consider such bid too high; and in case such next lowest bidder shall refuse to enter into contract and perform the same, the Postmaster-General may then award such service and enter into contract with any other person or persons who will duly enter into contract and perform the same at a price not exceeding that bid by such next lowest bidder. And in case of failure thus to secure a contract and the performance of such service as required by law, the Postmaster-General shall proceed in like manner, as soon as practicable, to offer the same to the several bidders at such letting, and also to all other persons competent to contract, at a price not exceeding the prices and sums bid at such letting, in the order of such bids, commencing at the next lowest bid and going up the said list of bids upon such route, unless he shall consider all such bids too high, until he shall secure a proper contract and the satisfactory performance of such service, preferring and giving to each of such bidders, respectively, the right, within such time as the Postmaster-General may designate, to accept such service, and enter into contract for the performance thereof at his or their original bid: *Provided, however,* That whenever a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route without advertisement, for such period as may be necessary, not in any case exceeding six months, until a letting under advertisement can take place: *And provided further,* That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service under the last preceding regular contract thereon."

In the opinion of your committee, the charge of irregularities in making payments to mail-contractors between December 31, 1873, and January 10, 1874, for services rendered for the quarter ended December 31, 1873, is not sustained.

The uncontradicted evidence fully established the fact that no payments of money were made, in any instance, in advance of the service, nor until after the expiration of the quarter in which the work was done. As a matter of favor and convenience to the Department, but without any obligation resting upon them, the class of carriers referred to in this charge, upon the large through-routes, took for collection, without expense to the Government, the usual quarterly orders drawn on the postmasters upon or in the neighborhood of their routes, for the balances due from such offices for the preceding quarter, and afterward accounted for and were charged with all moneys thus collected by them, in the adjustment of their accounts at the end of the quarter.

Generally the drafts, which were for sums comparatively small, were given to the contractors, in the second month of the quarter, and were not collected until within a few days of the time of settlement. In some instances they were not collected, and were returned to the Department.

Section 264 of the Postal Regulations, adopted by the Department for the regulation of its own practice, and which it was alleged had been violated, by the prompt payment of the amounts due these contractors at maturity, provides that "payments will be made by collections from or drafts on postmasters, *or otherwise,* after the expiration of each quarter, *say* in May, August, November, and February."

Under the act of Congress the compensation fixed for the transportation of the mails falls due, when the service has been properly performed, at the close of each post-office quarter, and is payable as soon as in the regular course of business the accounts can be properly adjusted. And it is, in the opinion of this committee, highly creditable to the officers of the Department, as well as to those of the Sixth Auditor's Office, having this business in charge, that in the cases referred to they were in readiness to discharge their obligations at maturity, and did not need the indulgence which a less efficient performance of their duties might have compelled them to ask under the section of the "regulations" just cited.

The remaining charges, which were evidently based upon a misapprehension of the facts, and a misconstruction of the papers, designated in the preamble as "manuscript abstracts or reports No. 4 and No. 5," were not pressed in the investigation before the committee, and were certainly not supported by the evidence.

Believing, therefore, that (while these combinations for straw-bidding have frequently been entered into by outside parties) the alleged abuses and irregularities have not existed, and do not exist, in the Post-Office Department, as charged in the preamble and resolution referred to them, and being of the opinion, after a very thorough examination of the whole question, that the charges against the officers of that Department have not been sustained, your committee respectfully recommend

that the preamble and resolution be laid upon the table, and ask that they may be discharged from the further consideration of the subject.

J. B. PACKER, *Chairman*.
W. H. H. STOWELL.
T. C. PLATT.
J. G. CANNON.
STEPHEN A. COBB.
L. DANFORD.
H. F. PAGE.
JOHN M. S. WILLIAMS.

We subscribe to the material facts as set forth in the foregoing report.

J. D. C. ATKINS.
SAML. J. RANDALL.

HOUSE OF REPRESENTATIVES, *June 20, 1874.*

MAIL-CONTRACTS.

Mr. PACKER, from the Committee on the Post-Office and Post-Roads, submitted a report in regard to mail-contracts and temporary service ; which was laid upon the table and ordered to be printed.

HOUSE OF REPRESENTATIVES, *June 22, 1874.*

MANAGEMENT OF POST-OFFICE DEPARTMENT.

Mr. STOWELL, by unanimous consent, from the Committee on the Post-Office and Post-Roads, presented a report in writing on the management of the Post-Office Department ; which was ordered to lie on the table and be printed.

[Forty-third Congress, first session, House of Representatives.—Report No. 783.]

MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

JUNE 22, 1874.—Laid on the table and ordered to be printed.

Mr. STOWELL, from the Committee on the Post-Office and Post-Roads, submitted the following report :

The Committee on the Post-Office and Post-Roads respectfully report :

That Hon. J. K. Luttrell having made many general charges and allegations against the Post-Office Department, he was requested to submit his complaints to writing, in order to see if they were worthy of formal investigation, and on April 20, 1874, he referred the following complaint to your committee, with a request for its examination :

“ HOUSE OF REPRESENTATIVES,
“ *Washington, D. C., April 20, 1874.*

“ SIR: In accordance with the request of your honorable committee, that I prepare and present specific charges in relation to alleged irregularities and abuses believed to exist in the matter of mail-contracts, and the payment of contractors, I have the honor to submit the following :

“ 1st. I charge that Bradley Barlow, C. C. Huntley, Owen Miller, J. W. Parker, S. S. Huntley, J. L. Saunderson, F. P. Sawyer, B. H. Peterson, Gilmer & Salisbury, and others, were paid in advance of services rendered, and in direct violation of sections 264 and 508 of the Postal Laws of the United States.

“ 2d. I charge that the accounts of the above-named parties were settled in the Office of the Sixth Auditor of the Treasury in an irregular manner, without proper evidence that service had been rendered, and upon certificates issued by the post-office Department that said parties had performed the required service ; said certificates being false.

“ 3d. I charge that contractors have received full pay where no service was rendered, upon fraudulent certificates now on file in the Post-Office Department certifying that service has been performed regularly upon routes which have been rendered impassable.

ble by heavy snow-storms, and that the records of the post-office will show that where complaints have been made by postmasters of the failure of contractors to properly carry and deliver the mails, the postmasters have in several instances been removed, and their offices discontinued.

"4th. I charge that mail-contracts are made with irresponsible bidders, who cannot give bonds for the performance of such contracts, and who are the agents of a combination formed to defraud the Government, and that said combination consists of Bradley Barlow, F. P. Sawyer, C. C. Huntley, B. H. Peterson, and others, known as the Northwestern Stage Company, with whom contracts were made (and are now in force) after the regular letting of 1870 failed to obtain service, and that said parties, Bradley Barlow, F. P. Sawyer, C. C. Huntley, B. H. Peterson, and others, have offered and given a consideration to bidders on routes controlled by them to withdraw their contracts, or fail to execute them, in order that the service might fall into the hands of the parties above named. All of which is in direct violation of section 250 of the Postal Laws of the United States.

"5th. I charge that said parties control, among other routes, the route from Kelton, Utah, to Dalles, Oreg., for which they receive pay amounting to \$229,000 per annum; the route from Winnemucca, Nev., to Boise City, Idaho, for which they receive pay amounting to \$77,000 per annum; the route from Oroville, Cal., to Portland, Oreg., for which they receive pay amounting to \$—— per annum; and that while this combination controlled the whole of this latter route (which is now somewhat curtailed by the extension of the railroad) the mail was carried by the railroad company, part of the distance at the expense of the stage company, and that the amount paid the stage company was greatly in excess of the amount the law would have allowed the railroad company for the same service.

"6th. I charge that in the summer of 1872, and in direct violation of section 26, Postal Laws of the United States, a large sum was allowed the stage company for increased speed in carrying the mail on the route from Oroville, Cal., to Portland, Oreg., said mail having been partly carried by the railroad company, thus shortening the schedule-time.

"7th. I charge that C. C. Huntley, who is a stage-contractor, was a bidder on the steamboat-route No. 6413, from New Orleans, La., to Key West, Fla., on which the pay is \$76,000 per annum, and although not the contractor, and not owning any interest in the steamboat carrying the mail, he receives 8 per cent. of the pay.

"Papers on file with the Auditor of the Treasury, and pay drawn quarterly through the banking-house of Lewis Johnson & Co., of Washington, D. C.

"All of which is in direct violation of section 264 of the Postal Laws of the United States.

"8th. I charge that contracts were awarded to straw-bidders on most of the steamboat-routes in Louisiana; that temporary contracts were made July 1, 1871, with B. H. Peterson, and since renewed, on which he receives over \$100,000 per annum, and that he is not the master or owner of any steamboats, but employs parties to carry the mails on routes he has control of, who were bidders on those routes, and who were paid a consideration to withdraw their bids.

"9th. I charge that F. P. Sawyer controls nearly all the valuable routes in the State of Texas, having bought off reliable bidders on those routes, and given to such bidders drafts against his mail-pay, which have been negotiated through Washington bankers and paid quarterly by the Auditor, and that drafts against F. P. Sawyer's mail-pay, given to C. M. Lockwood, a bidder on one of Sawyer's largest mail-routes in Texas, were negotiated and paid through the First National Bank of Washington, D. C.

"10th. I charge that most of the routes controlled by Bradley Barlow & Co. are sublet, in direct violation of section 271, Postal Laws of the United States.

"11th. I charge that the records of the Post-Office Department and Auditor's Office of the Treasury will show that many of the contracts held by Bradley Barlow, C. C. Huntley, Owen Miller, J. W. Parker, S. S. Huntley, F. P. Sawyer, B. H. Peterson, Gilmer & Salisbury, and others, were made with other parties, and that the contracts are controlled by them as agents or attorneys.

"12th. I charge that on post-routes from Walla Walla to Missoula, (453 miles,) supplying Stevensville and Fort Owens by a side-supply, a contract was ordered with S. S. Blake, at \$15,100 per annum; that Blake failed to execute his contract, and that a contract was made with C. C. Huntley, at \$22,900 per annum from July 1, 1870; that on July 29, 1870, an additional trip was ordered on side-supply, increasing the pay \$2,200 per annum. On August, 23, 1870, the service was extended on side-supply to Gird's Creek, (45 miles,) increasing the pay \$4,550 per annum. On December 22, 1870, two additional trips were ordered on the whole route, increasing the pay \$41,754 per annum, making the total pay received per annum by C. C. Huntley \$71,404.

"13th. I charge that the post-office at Gird's Creek (on side-supply ordered August 23, 1870) was discontinued December 19, 1871, and has not been re-established, and that C. C. Huntley received the pay (\$4,550) on this discontinued route in violation of law, and for services which he does not render by reason of such discontinuance.

"14th. I charge that gross irregularities exist in the letting out of mail-contracts for mail-service from July 1, 1871, to June 30, 1873, and from July 1 to June 30, 1875, on mail-routes 7587, 7590, 7592, 7647, 8553, 8536, 8537, 8538, 8539, 8540, 8549, 8550, 8557, 8571, 8572, 8575, 8577, 8590, 8603, 8619, 8620, 8642, and 8646; that the aggregate bids for these mail-routes amount to \$48,490 per annum; that the lowest bidders failed to execute contracts, and that contracts were made with one F. P. Sawyer, of Washington, D. C., amounting in the aggregate to the sum of \$439,469; that upon mail-routes 7524, 7612, and 7613, the bids amount to \$2,350.01, and contracts were made with one Chidester for the sum of \$14,522; that upon mail-routes 8006, 8007, 8010, 8013, and 8014, the bids amount to \$25,700; and contracts were made with one Peterson, aggregating the sum of \$101,500; that upon mail-routes 7603, 7604, and 7605 the bids amount to \$3,892, and contracts were made with one Vaile for the sum of \$14,100; that upon mail-routes 8082 and 8083, the bids amount to \$1,995, and contracts were made with one Davis for \$16,050; that the bids upon mail-routes 7596, 7595, 7523, 7524, 7506, 6631, and 14486 aggregate the sum of \$26,395, and that contracts were made with sundry persons named therein amounting to \$102,549; that the bids for service on these several routes amount in the aggregate to \$108,822.01, and that contracts were made for this service amounting to the sum of \$688,190, in direct violation of the Postal Laws and Regulations of the United States.

"15th. I charge that on the mail-routes established or ordered during the fiscal year ending June 30, 1873, other than those let to the contractors at the annual lettings, the aggregate of the bids for mail-service, on routes Nos. 7590, 7592, 8642, 8646, and 10843 amounts to \$8,597.74, and that contracts were made with one Sawyer for \$40,381.50; that the bids for mail-service on mail-routes Nos. 6061, 6648, 6791, 7522, 7524, 7525, 7648, 7594, 7603, 8082, 8526, 10843, 14935, and 14905, amount to \$22,298, and that contracts were awarded to sundry persons for the sum of \$93,651; that the aggregate bids for the mail-service on the foregoing routes amount to \$40,440.49, and that contracts were made for this service for the sum of \$177,030.50, in direct violation of the Postal Laws and Regulations of the United States.

"16th. I charge that service on mail-route No. 8031 was for twice a week at an annual sum of \$3,900; that service was expedited to six miles an hour and one additional trip per week, for which the contract-price was increased \$12,918.13; that the service on mail-route No. 8067 was for twice a week at an annual sum of \$5,980; that the service was expedited to five miles an hour, for which an additional sum of \$7,840.45 is paid, all of which is in direct violation of section 26 Postal Laws and Regulations of the United States.

"In connection with charges above submitted, I present the following statement, taken from the postal reports, showing some of the special lettings made with Sawyer, Chidester, Peterson, and others:

No. of Route	Page P. R.	No. of bids.	Lowest bidder.	Lowest bid.	Contract made with.	Price paid.	Remarks.
7525	334	22	Bracker & Hines..	\$3, 245 00	J. C. Manning.....	\$4, 600 00	
7526	335	9	do	745 00	J. T. Chidester.....	1, 375 00	
7531	336	6	W. R. Smith	333 00	C. E. Turner	1, 850 00	
7533	336	10	Bracker & Hines..	895 00	J. W. Guerrant....	1, 800 00	Guerrant's bid, \$1,249.
7536	337	15	A. Porter	2, 451 00	G. Mencken	4, 368 00	
7538	338	5	Bracker & Hines..	1, 445 00	S. T. Miller	1, 800 00	
7548	340	14	do	1, 245 00	G. Mencken	2, 496 00	
7592	355	21	W. Addoms.....	400 00	F. P. Sawyer.....	1, 500 00	
7521	332	27	J. A. Moore.....	01	J. Chidester	1, 679 00	Chidester bid, \$1,179.
7522	332	27	G. Eddington	1, 500 00	do	4, 474 00	
7523	333	29	do	2, 997 00	J. J. Gallaher	9, 500 00	
7524	334	20	Bracker & Hines..	4, 900 00	U. M. Newell	13, 750 00	
7587	351	90	W. Wood	900 00	F. P. Sawyer.....	34, 206 00	Sawyer bid, \$17,450.
7590	354	17	J. A. Moore.....	1, 800 00	do	12, 000 00	Sawyer bid, \$1,750.
7595	357	33	W. Addoms.....	400 00	do	1, 500 00	
7596	358	46	J. A. Moore.....	2, 990 00	J. W. Lamar.....	29, 000 00	
7603	360	35	do	900 00	T. S. Vaile	5, 000 00	
7604	361	27	W. W. Cleveland ..	1, 497 00	do	3, 300 00	
7605	362	29	J. A. Moore.....	1, 495 00	do	5, 900 00	
7612	364	62	W. C. Lovell.....	575 00	S. J. Chidester	8, 200 00	Chidester bid, \$3,794.
7613	365	46	J. A. Moore.....	01	do	1, 848 00	Chidester bid, \$1,736.
7614	366	65	W. C. Lovell.....	540 00	do	7, 478 00	Chidester bid, \$3,636.
7647	376	20	C. H. Webb	2, 990 00	F. P. Sawyer.....	6, 500 00	
8006	377	20	W. Williams.....	7, 000 00	B. W. Peterson...	37, 500 00	
8014	380	6	J. A. Pulser.....	5, 500 00	do	16, 000 00	
8082	397	19	S. Blackwood	1, 900 00	A. E. Davis.....	15, 000 00	
8512	400	8	H. C. Lovell.....	9, 000 00	A. Stewart.....	10, 500 00	
8526	405	23	do	3, 900 00	J. Bryden.....	10, 371 00	Bryden bid, \$2,180.
8534	408	23	do	1, 200 00	A. Mayes.....	1, 800 00	
8536	409	44	A. J. Terry.....	1, 800 00	F. P. Sawyer.....	27, 000 00	
8537	411	38	do	3, 300 00	do	17, 612 00	
8538	412	57	do	3, 700 00	do	63, 730 00	

CIV MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

No. of Route	Page P. R.	No. of bids.	Lowest bidder.	Lowest bid.	Contract made with.	Price paid.	Remarks.
8539	413	53	A. J. Terry	\$4,200 00	F. P. Sawyer	\$81,706 00	
8540	414	52	J. A. Moore	5,000 00	do	44,225 00	
8550	417	15	A. J. Terry	2,400 00	do	16,000 00	
8549	417	27	do	2,700 00	do	21,000 00	
8557	419	20	do	3,300 00	do	8,000 00	
8572	425	23	do	2,200 00	do	13,000 00	
8575	426	22	J. W. Armstrong..	1,500 00	do	14,000 00	
8577	427	21	do	600 00	do	7,500 00	
8590	430	19	do	1,200 00	do	4,500 00	
8603	435	41	do	1,600 00	do	18,000 00	
8610	438	43	do	2,200 00	do	7,500 00	
8619	441	27	G. Eddington	1,900 00	do	7,000 00	
8620	442	38	J. W. Armstrong..	1,100 00	do	9,000 00	
8646	450	18	J. A. Moore	2,300 00	do	10,000 00	
14846	579	45	Q. A. Moore	1,475 00	Old contractors ..	12,000 00	
Total				102,209 02	.....	637,058 00	Difference,\$534,848.98.

"17th. I charge that Barlow, Sanderson & Co. receive some \$15,000 for carrying the mail between Callahan's Ranch and Shasta, in the State of California, and that they fail to connect with Trinity Centre on the line of said route and a distance of thirty-two miles from Callahan's Ranch, and that letters sent from Callahan's Ranch to Trinity Centre, and *vice versa*, are compelled to be carried over a circuit of two hundred and fifty miles in order to reach either of those places, and that said parties are paid for deliveries at Callahan's Ranch and Trinity Centre, when no such deliveries are made for months at a time.

"18th. I charge that Bradley Barlow, C. C. Huntley, Owen Fuller, J. L. Sanderson, J. W. Parker, Gilmer & Salisbury, and others acting together, control over one million dollars of the amount paid by the Post-Office Department in the Territories for mail transportation; that nearly every route on which they are contractors has had the service increased since their contracts were made in 1870, with a corresponding increase of compensation; that most of their routes are sublet at about one-third of the amount they receive under their contract, and that their accounts are marked special, and settled as soon as the quarters close, without waiting for the certificates required from most contractors, that the services have been properly performed, or for the collections made from postmasters on their routes.

"I desire, in connection with the above charge, to present the following statements, showing the extent of territory covered by the contracts of Barlow & Co., and the amount paid to them for carrying the mails:

[*"Postmaster-General's Report, page 199."*]

	Transportation.				Gross proceeds.	Total expenses.
	Total.	Railroad.	Steamboat.	Stage, &c.		
Oregon	\$90,876 15	.....	\$31,000	\$59,876 15	\$61,822 43	\$128,222 79
Nevada	165,547 06	\$3,741	.....	161,806 06	56,168 59	201,216 03
Colorado	177,293 96	10,571	.....	166,722 98	81,861 01	223,451 60
Utah	370,772 24	1,825	.....	368,947 24	52,252 70	398,841 35
New Mexico	316,919 72	.....	.....	316,919 72	13,149 42	326,090 64
Washington	170,965 71	.....	62,676	108,289 71	19,059 90	181,802 26
Dakota	26,378 82	.....	.....	26,378 82	14,314 02	34,775 43
Arizona	74,143 26	.....	.....	74,143 26	8,256 13	78,694 20
Idaho	103,190 71	.....	.....	103,190 71	10,440 38	110,992 98
Wyoming	11,225 10	.....	.....	11,225 10	20,019 85	24,773 12
Montana	122,872 00	.....	.....	122,872 00	25,053 93	141,802 24
	1,630,184 73	16,137	93,676	1,520,371 73	362,398 36	1,850,662 64
Less receipts						362,398 36
Deficiency						1,488,264 28

"Whole number of mail-routes, 276.

"On twenty of those which Bradley Barlow & Co. control, they receive \$994,115 of the \$1,520,371.73 reported as the total transportation by stage, &c.

"Principal routes of Barlow & Co.

No. of route.	Route.	Present pay.
16002	Virginia City to Gallatin, Mont.	\$8, 234
16006	Helena to Missoula	18, 000
16001	Helena to Fort Benton	9, 000
16011	Helena to Bozeman City	12, 216
16009	Helena to Georgetown	7, 425
16020	Virginia City to Beartown	17, 974
16026	Missoula to Frenchtown	7, 178
15414	Walla Walla to Missoula	71, 404
16215	Cheyenne to Iron Mountain	1, 875
16201	Bryan to South Pass	9, 666
17029	Pueblo to Trinidad	10, 042
17080	Pueblo to Bent's Fort	17, 538
17032	Phil Sheridan to Santa Fé	110, 833
16445	Elko to Mountain City	8, 020
15119	The Dalles to Boise City	18, 000
16622	Kenton to the Dalles	129, 000
15703	Boisé City to Winnemucca	77, 000
17401	Santa Fé to El Paso	91, 000
17404	Mesilla to Los Angeles	218, 460
16446	Hamilton, Nev., to Pioche	51, 250
	Pay per annum	994, 115

"In conclusion, I desire to say that I do not present these charges from any partisan motives, but simply that fraud may be prevented, and a check put to the operations of a combination formed to swindle the Government of millions of dollars, and I am assured by the Postmaster-General that he will use every effort to break up the combination.

"I am satisfied that a thorough investigation will unearth a most gigantic fraud, and show to your honorable committee that such a combination exists, and is aided and abetted by irresponsible postmasters, who approve utterly worthless bonds in order to secure contracts for this combination. I present herewith the names of witnesses whom I desire called to establish the truth of the charges contained herein. All of which is respectfully submitted.

"J. K. LUTTRELL,

"Member of Congress 3d District of California.

"Hon. JOHN B. PACKER,

"Chairman Committee on the Post-Office and Post-Roads."

No names of witnesses given with this.

U. H. PAINTER,
Clerk.

On the 24th April, 1874, a notice was served upon Mr. Luttrell to furnish the names of witnesses, their residence, present whereabouts, and what he could prove by each witness. In the mean time the charges were published in the public prints throughout the country, by the procurement of Mr. Luttrell or some one else other than the committee. The names of witnesses, &c., were not furnished by Mr. Luttrell, and on the 10th June similar notice was served upon him, requesting him to answer it as soon as possible, and give the names of witnesses, and a brief statement of what he desired to prove by each one; and on the 11th June, instant, he filed with the committee the following paper:

"WASHINGTON, June 9, 1874.

"SIR: I have an abundance of testimony at hand preparatory to an investigation into the charges made by me some time since in relation to the letting of contracts and mail-service of the Government.

"I propose to prove, by Mr. C. Evarts, Mr. Underwood, and Mr. C. Moore, that gross frauds were perpetrated by C. C. Huntley and others, and certain officers of the Government, in the mail-contract from Missoula to Walla Walla; that an increase of service was made on that route in entire opposition to the recommendation of the principal postmaster, and that said increase was made when but two letters and two newspapers had passed over the route in an entire quarter.

"I will further prove by J. E. Barrow that he was an accepted bidder on a certain route, and that he was paid money by Bradley Barlow on condition that he (Barrow) should fail to execute his contract.

"I will further prove by Hon. John McBride, James E. Carr, Colonel Hooker, Hill Beachy, and others, that gross frauds have been perpetrated in California and Nevada, and the Territories of Washington and Montana, by Bradley Barlow and others.

"I will further prove by J. D. Hicox that gross frauds have been perpetrated in Nevada.

"I will further prove by Hon. J. M. Cavanaugh and Hon. — Clark that gross frauds have been committed by Barlow, Huntley, and others in Texas, Arkansas, Montana, and Idaho; and I will also prove by the same witnesses many other facts tending to show a combination on the part of Huntley, Barlow, and others to defraud the Government, and would request that the witnesses herein named be subpoenaed to give testimony before your honorable committee.

"I have the honor to be, very respectfully,

"J. K. LUTTRELL,
"M. C. Third District, Cal.

"Hon. JOHN B. PACKER,

"Chairman Committee on the Post-Office and Post-Roads.

"Mr. C. Moore resides at Walla Walla, Wash.

"Mr. — Underwood resides at Portland, Oreg.

"Mr. T. C. Evarts resides at Washington, D. C.

"Mr. J. E. Barrow resides at New York City, N. Y.

"Hon. John McBride, Fort Jones, Cal.

"J. E. Carr, Trinity, Cal.

"Hon. W. T. Clark, Metropolitan Hotel, Washington, D. C.

"Hon. J. M. Cavanaugh, Arlington Hotel, Washington, D. C.

"J. D. Hicox, Pioche, Nev.

"J. K. LUTTRELL."

A subcommittee was then appointed to examine records of the Post-Office Department, to see whether they afforded evidence of fraud, irregularities, or violation of law in cases specified in said charges, and make report to the committee; which subcommittee, having made examination, reported to the committee as follows:

"HOUSE OF REPRESENTATIVES,
"Washington, D. C., June 16, 1874.

"To the chairman and members of the Committee on the Post-Office and Post-Roads, House of Representatives:

"The undersigned subcommittee appointed to examine the records of the Post-Office Department, to see whether they furnish evidence of fraud, irregularities, or violation of laws, as specified in charges made and filed with the committee by Hon. J. K. Luttrell, beg leave to report that they have examined as to routes and matters specified in said charges, except as to certain routes and matters which are included in charges preferred by Hon. William H. Stone, heretofore examined by the committee, and that we do not find therein any evidence of fraud, irregularities, or violations of law, although we are satisfied that upon many, if not all of said routes, straw-bids were made, which, under the law, the Postmaster-General was powerless to reject, and for the prevention of which legislation was had during the Forty-second Congress, and to perfect which the Committee on the Post-Office and Post-Roads have proposed legislation during the present session of Congress.

"J. G. CANNON.
"J. D. C. ATKINS.
"STEPHEN A. COBB."

Which report was received and adopted by the committee. In the mean time Mr Luttrell was personally examined by the committee.

The committee do not find evidence of fraud, irregularities, or violation of laws, as specified in said charges, from the records of the Post-Office Department. On the contrary, such records show a compliance with the law upon the part of those administering it in cases specified in charges. As to said charges, so far as they relate to combinations to defraud the Government by a system of straw-bidding in the letting of contracts to carry the mails, Mr. Luttrell states (of the truth of which the committee are satisfied) that he believes the Postmaster-General has been and is doing all he can to break up and punish such straw-bidding, and that he is a vigilant and efficient officer, and that straw-bidding has been carried on for years; indeed, the Postmaster-General for years has been calling the attention of Congress to the same, and recommended legislation under which it could be prevented; that legislation was had for that purpose during the Forty-second Congress, and this committee have again carefully considered as to what additional legislation is needed in the premises, and have recommended the same by reporting a bill which has passed the House; so the committee do not feel called upon to ask for authority from the House to send for witnesses to distant portions of the country, at great expense, to further establish that which is, and was long before the commencement of this Congress, matter of public notoriety, conceded by all.

As to the charges so far as they relate to employés of the Post-Office Department, the committee call attention to the fact that none of said employés are mentioned by name, nor are any of the alleged acts of fraud specifically set out. It also appears from the statement of Mr. Luttrell that, in making such charges, he is acting upon mere hearsay, and that he has not given the names of such employés or made a statement of their alleged misdoings to their superior officer, the Postmaster-General, and that he is not aware that his informants have done so.

If the fraudulent acting of employés were brought home to the Postmaster-General, and he were to connive at or negligently refuse to inquire as to the same, and remove the persons so acting, such failure would call for investigation and report by this or some other committee.

In the opinion of the committee, if frauds have been committed by employés of the Department, they should be reported to the Postmaster-General by parties having knowledge in the premises, who has full power of removal, and should also be prosecuted in the courts, where a full hearing could be had, and, if found guilty, would no doubt be punished, and not primarily investigated by one of the standing committees of the House. A primary investigation of alleged frauds upon the part of clerks in the Departments would turn the committees of the House, charged with originating and recommending legislation for the interest of the whole country, into mere voluntary detective organizations for the benefit and convenience of the heads of Departments, to be set in motion by any person who sees proper to make indefinite charges of fraud against subordinates in the Departments or elsewhere, not even disclosing their names; or by any one who could procure some member of Congress to make such charges upon their mere statement, whether caused by malice, disappointment, or a real desire to promote the public good.

For these reasons the committee do not feel called upon to make further investigation in the premises.

HOUSE OF REPRESENTATIVES, *June 22, 1874.*

* * * * *

Mr. TYNER. My colleague on the committee of conference, the gentleman from Illinois, (Mr. Marshall,) desires to be heard for a very short time. I have also promised to yield to the gentleman from Pennsylvania, (Mr. Packer,) chairman of the Committee on the Post-Office and Post-Roads.

Mr. RANDALL. I suggest that we now adjourn, as it only lacks five minutes of the expiration of this legislative day.

Mr. TYNER. Very well.

And then, on the motion of Mr. Randall, at five minutes to eleven a. m., the House adjourned.

HOUSE OF REPRESENTATIVES,
Monday, June 22, 1874.

POST-OFFICE APPROPRIATION BILL.

Mr. TYNER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. No. 3094) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1875, and for other purposes, having met, after full and free conference have agreed to recommend, and do recommend, to their respective Houses as follows:

That the Senate recede from its amendments numbered 13 and 15.

That the House recede from its disagreement to the amendments numbered 2 and 5, and agree to the same.

That the House recede from its disagreement to the sixth amendment and agree to the same with an amendment as follows: Strike out the words "library of the office of Assistant Attorney-General," and insert in lieu thereof the word "use;" and the Senate agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the eighth amendment and agree to the same with amendments as follows: In line 1 of said Senate amendment, after "on" insert "and after the first of January, eighteen hundred and seventy-five;" and on line 4 of the House amendment to the said Senate amendment strike out the words "one cent and five mills" and insert "two cents;" and strike out all after "provided," in line 7, and insert "that nothing in this act shall be held to change or amend section ninety-nine of the act entitled 'An act to revise, consolidate, and amend the statutes relating to the Post-Office Department, approved

CVIII MANAGEMENT OF THE POST-OFFICE DEPARTMENT.

June eighth, eighteen hundred and seventy-two," and in section 6, line 1, after "that" insert the words "on and after the first day of January, eighteen hundred and seventy-five;" and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the twelfth amendment, and agree to the same with amendments as follows: In the second amendment of the House to said amendment strike out "taken" and insert "made;" in line 31 of said Senate amendment strike out "one;" and the House agree to the same.

That the House recede from its disagreement to the fourteenth amendment and agree to the same with amendments as follows: In line 9 strike out "eight" and insert "six;" in line 33 strike out "eight" and insert "six;" in line 67 strike out "fifty" and insert "sixty;" in line 68 strike out "forty" and insert "fifty;" in line 69 strike out "thirty" and insert "forty;" and the Senate agree to the same.

That the House recede from its disagreement to the sixteenth amendment and agree to the same with an amendment as follows: In line 87 strike out the words "a letting under advertisement can take place," and insert in lieu thereof, "the service shall have commenced under a contract made according to law;" and the Senate agree to the same.

That the House recede from its disagreement to the seventeenth amendment and agree to the same with an amendment as follows:

Insert in lieu of said amendment the following:

That hereafter the postage on public documents mailed by any member of Congress, the President, or head of any Executive Department, shall be ten cents for each bound volume and on unbound documents the same rate as that on newspapers mailed from the known office of publication to regular subscribers, and the words "Public document" written or printed thereon, or on the wrapper thereof, and certified by the signature of any member of Congress, or by that of the President, or head of any Executive Department, shall be deemed sufficient certificate that the same is a public document, and the term "public document" is hereby defined to be all publications printed by order of Congress or either House thereof: *Provided*, That the postage on each copy of the daily Congressional Record mailed from the city of Washington as transient matter shall be one cent.

And the Senate agree to the same.

JAMES N. TYNER,

J. G. CANNON,

S. S. MARSHALL,

Managers on the part of the House.

WM. WINDOM,

WM. B. ALLISON,

H. G. DAVIS,

Managers on the part of the Senate.

Mr. TYNER. I will demand the previous question on the adoption of the report unless some gentleman desires to ask questions in regard to it.

* * * * *

POST-OFFICE APPROPRIATION BILL.

The House then resumed the consideration of the report of the committee of conference on the post-office appropriation bill.

Mr. TYNER. I desire to yield to my colleague on the conference committee from Illinois, [Mr. Marshall.]

Mr. BUTLER, of Massachusetts. I wish to offer a resolution in relation to the employment of soldiers in the Executive Departments, to which I think there will be no objection.

Mr. MARSHALL. I prefer to go on with my remarks now.

The SPEAKER. The Chair will recognize the gentleman from Massachusetts later on in the day.

Mr. MARSHALL. Mr. Speaker, there is no such thing as perfect legislation upon earth. All legislation is the result of compromise. Mankind is fallible, and all the work of men partakes of their fallibility. The House and the Senate here at the end of the session have found themselves radically differing on some matters of legislation on the post-office appropriation bill. Conference committees have been appointed. Conference committees are only appointed for the purpose, if possible, of bringing the two houses together on matters on which they differ. If either house insists upon its position, standing on its own position and will not move, the adjustment of differences by this means is impossible.

If any gentleman asks me if I think the bill now reported by the conference committee is a perfect bill, I must answer most emphatically no. I think we ought to have better legislation than this furnishes for the protection of the Government against rings organized to plunder the Government in the contracts let for carrying the mails

But the Senate, governed doubtless by an honest purpose to correct these evils, differs with us as to the means to secure the end. But even if it were possible for Congress to pass a perfect law, unfortunately no law can execute itself. We are still compelled to rely to a great extent upon the efficiency and integrity of the Executive Departments of the Government. It is not to be assumed, at least there ought to be no cause even for suspicion, that the head of a great Department of the Government would at any time enter into collusion with organized plunderers to rob the Treasury. Be this as it may, we all know that there is no possible means of protecting the Treasury against raids made under the direction or connivance of corrupt or incapable public officials. We must perform our duty, and if the President and his appointees fail in theirs, we cannot be justly blamed therefor.

In reference to this mail-service, it is known that in regard to large contracts none but capitalists, or those who are able to command capital, can approach the Government for the purpose of obtaining contracts; and it is known that for years men have organized themselves for the purpose of obtaining, and have obtained from the Government, for the mail-service, double, treble, and even fourfold the value of the service they rendered. By these combinations, and it is generally believed by the connivance if not active co-operation of Government officials, the Treasury has year after year been robbed of millions of the people's money. The object of this proposed legislation is to protect the Government as far as possible from these organized plunderers. But, as I said before, a great deal must necessarily be left, in the execution of all laws of this kind, and their practical efficiency must depend upon the executive officers. I feel confident that this report, if adopted as the law of the land, furnishes additional guarantees to the people, and is on the whole better than the law we have had heretofore or have now. My colleagues on the conference committee, the gentleman from Indiana, [Mr. Tyner,] the gentleman from Pennsylvania, [Mr. Packard,] and the gentleman from Illinois, [Mr. Cannon,] have from their official position here necessarily given more attention to and have much more knowledge in regard to the practical operations of the postal laws than I have. My colleague [Mr. Cannon] especially has devoted much time, labor, and practical ability to this subject, and did more I think than any other member toward perfecting the bill of the House thereon, and I have had the benefit of the judgment and superior information of these gentlemen as to the practical operation of existing laws and the effect of this proposed legislation. And I think it proper to add that every one of my colleagues on the conference committee acted loyally as the representatives of the views of the House, and for the purpose of effecting, if possible, a compromise which would retain all the conservative principles of the bill as it passed the House. And it was only after various meetings of the committee that the House conferees found it necessary, for the purpose of getting this legislation which we must pass in some form before we can go home, to yield or modify some of their own views in regard to some of the points in controversy.

It was the opinion of every member who had given any attention to the subject that the bill now before the House, although far from perfect, although not precisely what we want, is a great improvement upon existing law. We rarely, if ever, in legislation get precisely what we would prefer. If this is an improvement on existing law, why not pass it? If it is not, if it furnishes additional means to the robbers and plunderers who are seeking to get the money of the Government without giving an adequate return for it, then vote it down. But it is conceded, I believe, on all hands that the proposed legislation is an improvement upon existing law. If it is executed by the head of the Post-Office Department loyally in the interest of the Government, and with a determination not to permit the Government to be plundered by these organized bands, it will to a very great extent effect the object we all have in view. And, as I have heretofore said, we are compelled to rely to a great extent upon the ability and integrity of our executive officers. There is no possible escape from this dilemma.

Mr. COBB, of Kansas. I understand that the conferees on the part of the House have also yielded to the amendment of the Senate which emasculated the House bill that we passed some time back, relative to the letting of contracts, and that, as it now stands, the Postmaster-General, in making contracts for temporary service or regular service in case of the failure of the original contractors, is confined to the list of bidders bidding in the first instance, instead of being permitted, as he was allowed to do by the original bill which left the House, to let it to the bidders in the first instance and afterward to go to all the world, provided they would take it at the same price, without the necessity of an additional advertisement.

Mr. TYNER. In response to that I will say that the bill which the House sent to the Senate required that the bids for contracts in the Post-Office Department should be accompanied by bonds. It was designed to break up the vicious system of what is known as straw-bidding. This provision was materially amended by the Senate, who ingrafted in this appropriation bill, as a part and parcel of it, a provision which was entirely different from that originally passed by the House. The legislation adopted by the conference committee entirely defeats the legislation originally provided by the House. I have no hesitation in saying that the House bill upon this subject was

decidedly better than that which is here proposed. I desire further to say in this connection that as one of the conferees on the part of the House I would not have agreed at all to the amendments of the Senate if I had not believed that it was a slight improvement on the present law.

Mr. COBB, of Kansas. Then I understand by the reply of the gentleman from Indiana that the bill is emasculated as I stated. And I wish to put it on record as a fact that it is in my judgment the triumph of the contractors again in the Post-Office Department by reason of this pernicious system of legislation of attaching laws to the appropriation bills.

Mr. ELDREDGE. I desire to ask the gentleman a question.

Mr. TYNER. I will yield for that purpose.

Mr. ELDREDGE. As I understand it the report of the committee of conference leaves the law as it existed before any amendment was made. It allows the Government to be cheated by this class of bidders known as straw-bidders. Instead of protecting the Government against these bids, these rings and combinations, the Postmaster-General is allowed to give out contracts to any one he pleases, even though no bid be made.

Mr. TYNER. I will answer that point. I think the gentleman from Wisconsin has taken a little too broad a view in regard to what is accomplished by the report. The law as it now stands provides that any party making a bid for the transportation of the mails shall send in a written statement signed by one or more persons that he will faithfully perform his contract; but this bill provides that at the time a proposed contractor files his bid he shall also file his bond signed by securities who must first take an oath that they have real estate of more than double the value of the amount involved.

Mr. ELDREDGE. What is the penalty attached to such bond?

Mr. TYNER. The penalty is the liquidated damages on the amount of the bond.

Mr. ELDREDGE. What is the amount of the bond that the bidder is required to be responsible for in fact?

Mr. TYNER. Such amount as the Postmaster-General may indicate in the advertisement for the proposals for the route.

Mr. ELDREDGE. Does not the gentleman know that the old law required bonds; but does he know a single instance in which the penalty was recovered? Did he ever know a case in which forfeiture was made of the bonds of the defaulting contractors?

Mr. TYNER. I think the gentleman does not give to the conference report the full credit that it deserves. The law as provided for in this report is undoubtedly better than the law under which the Post-Office Department has hitherto given out contracts. I do not know a single instance under the old law where damages have been recovered on the bond of a defaulting contractor.

If the gentleman will listen to me I will state briefly all the provisions of the pending law as we propose to amend it. In the first place the bidder must file his bonds with the Postmaster-General, and if that bid exceeds the sum of \$500,000 he must also file a certified check for the amount, with 5 per cent. interest. There are these two securities.

Then, in order to identify the sufficiency of the bond, the sureties and the bidders must take an oath that they own unincumbered real estate worth double the amount in value of the amount named in the bond. Then in addition to that still further, the postmaster, who approves the sufficiency of the bond, by the present law, in the event he shall knowingly approve a bond which he believes to be insufficient, or shall approve it without proper and due examination, is not only to be removed from office, but disqualified forever from holding a post-office. Then in addition to that the penalty imposed upon that postmaster, in the event of a prosecution and conviction, may be not less than \$5,000, whereas under the present law it would not exceed the sum of \$1,000.

Again, under the last law, under which only one single letting has been made, the Postmaster-General, when the accepted bidder failed to enter upon his contract, was authorized to go to the second bidder only. In the event the second bidder would not take the contract, then he was authorized to make a contract with outside parties for twelve months. This bill provides that after the first contractor fails the Postmaster-General shall go to the second if his bid be not too high, and if the second fails then he may go on up the list to the last bidder, and make a contract at any price that he does not consider too high. In the event that he cannot thus obtain a contractor, then he is authorized to let a temporary contract for a period not exceeding six months and at a price not above that of the last regular contract on that route.

Now, I submit to the gentleman from Wisconsin [Mr. Eldredge] that while this bill does not meet my views, while I believe I could frame a provision that would most effectually cut off straw-bidding, a provision which would tally precisely with the provisions of the bill sent by the House to the Senate, yet when we cannot get all we want, is it not wise to get all we can if it is better than what we now have?

Mr. ELDREDGE. I concede that it is wise to get the best that we can; there is no doubt about that. But the bill of the House, as I understood it, provided for the reletting of the contract by advertisement; it took away this discretion which has

been vested in the Postmaster-General and which has been so much abused. I do not believe in leaving that discretion there. I do not say that the suggestion of the gentleman that the Postmaster-General has the right to go up the list and not let a contract at a higher price than contracts had been previously let is any protection whatever. We know very well that when the old contractor is on the ground, with his horses and wagons and his stock in general, he can keep everybody else from that route. It must be an actual letting under an advertisement or it will amount to nothing but straw; and straw-bidding will continue, in my judgment, in spite of all the things which the gentleman has suggested.

Mr. TYNER. The gentleman from Wisconsin is very correct in his views that under the present law, in the event of the failure of the contractor to perform the conditions of his contract, the Postmaster-General then must let a temporary contract to the man who has stock on hand and is ready to go upon the route and perform the service. But the gentleman ought to remember that under the present law the Postmaster-General may make that temporary contract for twelve months, while the bill we are now considering provides that he shall not let it for more than six months, and shall not in that contract exceed the amount of the last regular contract on that route. I apprehend the gentleman from Wisconsin will see at once that this is a little advantage. It is not all we want; it is not what the gentleman wants; nor is it what any gentleman in this House wants who has honestly, carefully, and wisely considered the subject. We will, in my judgment, never get a law which is anything like right until we require the Postmaster-General, upon the failure of the accepted bidder, to go outside and contract with other parties.

Mr. ELDREDGE. I would like to know what force there is operating in this House and in the Senate that prevents this wholesome provision which the gentleman himself says that we ought to have. I have no doubt of the sincerity of the gentleman. I believe he does sincerely want to guard against these frauds. But what power is there, secret or otherwise, which overcomes him in his efforts to get an honest provision of law to protect the Government? Is it in this House or around this House or in the Department? What power is there so mysterious as to balk all the efforts of this Congress to do what ought to be done?

Mr. TYNER. The gentleman from Wisconsin ought to know that I am not able to answer his question. I have been in this House for five years, during which time I have been more or less intimate with the affairs of the Post-Office Department as they come here. If there is a ring or a lobby or any other kind of influence about this House or the other House that prevents the passage of such bills as are necessary to protect the Government in this regard, I say to him frankly that I never saw them; I know nothing about them. No man has ever approached me on the subject; no man ever dared to.

Mr. ELDREDGE. I do not suppose the gentleman has ever been approached in that way. I hope he did not understand me as intimating any such thing.

Mr. TYNER. I do not.

Mr. ELDREDGE. I do not believe that the gentlemen can be approached. But there is some mysterious force at work so that when we find an almost unanimous opinion in Congress in favor of adopting such a provision as shall protect the Government, we cannot accomplish that purpose. I say that we should stay here till next August, nay, till the time for the next session to commence, before we should allow ourselves to be balked in our effort to provide against this crying evil.

Mr. LUTTRELL. I hope that this matter will be recommitted to the conference committee; and let us, as the gentleman from Wisconsin [Mr. Eldredge] says, stay here, if need be, till the commencement of the next session in order to break up this combination to defraud the Government. I say that we should refuse to adjourn until this system of "straw-bidding" is broken up.

Mr. TYNER. The indignation of the gentlemen is all right; but we are getting now a law better than we have had.

House concurred in report.

[GENERAL NATURE—No. 90.]

AN ACT making appropriations for the service of the Post-Office Department for the fiscal year ending June thirtieth, eighteen hundred and seventy-five, and for other purposes.

* * * * *

SEC. 12. That section two hundred and forty-five, section two hundred and forty-six, section two hundred and forty-seven, section two hundred and fifty-one, and section two hundred and fifty-three of the act entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department, approved June eighth, eighteen hundred and seventy-two, be amended to read as follows:

"SEC. 245. That every proposal for carrying the mail shall be accompanied by the bond

of the bidder, with sureties approved by a postmaster, and in cases where the amount of the bond exceeds five thousand dollars, by a postmaster of the first, second, or third class, in a sum to be designated by the Postmaster-General in the advertisement of each route; to which bond a condition shall be annexed, that if the said bidder shall, within such time after his bid is accepted as the Postmaster-General shall prescribe, enter into a contract with the United States of America, with good and sufficient sureties, to be approved by the Postmaster-General, to perform the service proposed in his said bid, and, further, that he shall perform the said service according to his contract, then the said obligation to be void, otherwise to be in full force and obligation in law; and in case of failure of any bidder to enter into such contract to perform the service, or, having executed a contract, in case of failure to perform the service, according to his contract, he and his sureties shall be liable for the amount of said bond as liquidated damages, to be recovered in an action of debt on the said bond. No proposal shall be considered unless it shall be accompanied by such bond, and there shall have been affixed to said proposal the oath of the bidder, taken before an officer qualified to administer oaths, that he has the ability, pecuniarily, to fulfill his obligations, and that the bid is made in good faith, and with the intention to enter into contract and perform the service in case his bid is accepted."

"SEC. 246. That before the bond of a bidder provided for in the aforesaid section is approved, there shall be indorsed thereon the oaths of the sureties therein, taken before an officer qualified to administer oaths, that they are owners of real estate, worth, in the aggregate, a sum double the amount of the said bond, over and above all debts due and owing by them, and all judgments, mortgages, and executions against them, after allowing all exemptions of every character whatever."

"SEC. 247. That any postmaster who shall affix his signature to the approval of any bond of a bidder, or to the certificate of sufficiency of sureties in any contract before the said bond or contract is signed by the bidder or contractor and his sureties, or shall knowingly, or without the exercise of due diligence, approve any bond of a bidder with insufficient sureties, or shall knowingly make any false or fraudulent certificate, shall be forthwith dismissed from office, and be thereafter disqualified from holding the office of postmaster, and shall also be deemed guilty of a misdemeanor, and, on conviction thereof, be punished by a fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or both."

"SEC. 251. That after any regular bidder whose bid has been accepted shall fail to enter into contract for the transportation of the mails according to his proposal, or, having entered into contract, shall fail to commence the performance of the service stipulated in his or their contract as therein provided, the Postmaster-General shall proceed to contract with the next lowest bidder for the same service, who will enter into a contract for the performance thereof, unless the Postmaster-General shall consider such bid too high, in which case he shall re-advertise such service. And if any bidder whose bid has been accepted, and who has entered into a contract to perform the service according to his proposal, and in pursuance of his contract has entered upon the performance of the service, to the satisfaction of the Postmaster-General, shall subsequently fail or refuse to perform the service according to his contract, the Postmaster-General shall proceed to contract with the next lowest bidder for such service under the advertisement thereof, (unless the Postmaster-General shall consider such bid too high,) who will enter into contract and give bond, with sureties, to be approved by the Postmaster-General, for the faithful performance thereof, in the same penalty and with the same terms and conditions thereto annexed as were stated and contained in the bond which accompanied his bid; but in case each and every of the next lowest bidders for such service whose respective bids are not considered too high by the Postmaster-General shall refuse to enter into contract and give bond as herein required for the faithful performance of his contract, the Postmaster-General shall immediately advertise for proposals to perform the service on said route. Whenever an accepted bidder shall fail to enter into contract, or a contractor on any mail-route shall fail or refuse to perform the service on said route according to his contract, or when a new route shall be established, or new service required, or when from any other cause there shall not be a contractor legally bound or required to perform such service, the Postmaster-General may make a temporary contract for carrying the mail on such route, without advertisement, for such period as may be necessary, not in any case exceeding six months, until the service shall have commenced under a contract made according to law: *Provided, however,* That the Postmaster-General shall not employ temporary service on any route at a higher price than that paid to the contractor who shall have performed the service during the last preceding regular contract-term. And in all cases of regular contracts hereafter made, the contract may, in the discretion of the Postmaster-General, be continued in force beyond its express terms for a period not exceeding six months, until a new contract with the same, or other contractors, shall be made by the Postmaster-General."

"SEC. 253. That hereafter all bidders upon every mail-route for the transportation of the mails upon the same, where the annual compensation for the service on such route

TESTIMONY

TAKEN BEFORE

THE COMMITTEE ON THE POST-OFFICE AND POST-ROADS

IN RELATION TO

MAIL CONTRACTS.

WASHINGTON, *January 31, 1876.*

H. CLAY HOPKINS sworn and examined.

By the CHAIRMAN :

Question. Please state if you have any connection with the Post-Office Department, and if so, of what character?—Answer. I am classed as a special agent of the Post-Office Department.

Q. What are the duties of your position?—A. They are varied. I sometimes act as a detective, and sometimes inspect the accounts of postmasters, and sometimes look after the contractors to see that they are performing their service right.

Q. Does it come within the scope of your duties, the investigation of frauds committed by contractors?—A. Yes; I have had that duty assigned to me within the last year.

Q. The points that I desire to bring your attention to are these: we desire to investigate the frauds committed in the postal department in the matter of straw-bids, and supposing that you had had investigations of that character in your charge in different parts of the country, Texas or the Western States, I would like you to state to the committee if you have investigated cases of that character, and whose contracts they were?—A. Well, I don't know, sir, that I investigated any straw-bids. They were bona-fide bids that I was looking after last winter in the State of Texas. I went down to see whether parties who had contracts with the Department were performing the service.

Q. State to the committee what condition of things you found in regard to those contracts. State, however, as you go along, who were the contractors, and the routes.—A. Really I do not know whether I can give the number of the route. I can give the heads of the routes, the places where they begin and terminate. One route in particular that I was over was that from San Antonio to Corpus Christi, in Texas. The contractor was William D. Kittle. I went over the route from one end to the other; spent some seven or eight days on it. It is a route between 160 and 180 miles long. I found that the service was not being performed as it had been ordered by the Department at all.

Q. How was it performed, and in what particulars was it contrary to the order for the performance of the service?—A. The original bid was for three times a week, tri-weekly service between the points, and some time after he had commenced the service at three times a week, it was increased to six times a week by the order of the Department. But a month or two months after that order was issued, the service was not performed but three times a week. At the expiration of two or three months, (I am not positive about the time,) he commenced running the service six times a week, for twenty miles out of San Antonio, beginning at San Antonio and running twenty miles out, to Graytown; that was the first office outside. No; I am wrong; the original order was twice a week; then it was increased to three times a week, and then to six; but he commenced running it three times a week out of the first office, and twice a week from there to Corpus Christi. The service had continued in that way up to last October; then the contractor ran it six times a week from Corpus

Christi twenty-eight miles out, and three times a week the residue. He ran it from Corpus Christi out to San Patricio, twenty-eight miles from Corpus Christi, and three times a week from that to Graytown.

Q. That was during the time that the order was in existence in the Department to run it six times a week?—A. Yes, sir. I believe it was running that way when I was there last February.

Q. William D. Kittle was the contractor upon that route?—A. Yes, sir.

By Mr. LUTTRELL:

Q. Do you know whether Kittle received pay for carrying the mail from San Antonio to Corpus Christi at the rate of six times a week?—A. I think that he did. I believe that the record—I suppose you understand upon what the pay is based. The record is kept at the head of the route and at the end of the route. The pay of the contractors is settled by the report sent in by the postmasters at each end of the route; and of course he ran six times a week out from San Antonio, and the postmaster had to report it that he left his office and arrived six times each week, "arriving and departing daily."

By the CHAIRMAN:

Q. Do I understand you to say that the postmaster reported that he was executing the service six times a week?—A. Yes, sir, at the ends of the route he did. The one postmaster could not do anything else because he left and arrived there every day.

Q. Were there any intermediate offices?—A. They are not required to keep any schedule. But the office at the other end was sending in its registers marked six times a week, although he was performing it only twice.

By Mr. LUTTRELL:

Q. Is he still carrying that mail?—A. No, sir; I think the service was suspended in April or May.

By the CHAIRMAN:

Q. How long did he continue to receive pay for carrying it six times a week?—A. My impression is that he got it up to the first of last January, 1875, and that was for the last quarter in 1874.

Q. You made a report, I presume, to the Postmaster-General or the Post-Office Department when you returned, of the facts as you have stated them?—A. Yes, sir, corroborated by a certificate that I took from each of the postmasters. I sent my report from Texas. I put it in the mail-pouch myself, and that was the last that was seen of it; but I duplicated that report when I got home and found it had not been received. As soon as I got over the route I reported, and inclosed all my certificates that I had taken, which were signed in the presence of two witnesses, and mailed it to the Post-Office Department, but it never was received.

Q. When you arrived in Washington you found that the report had never been received?—A. Yes, sir. Then I duplicated that report, and the only thing left for me to do was to write back to the postmasters and try and get statements again, and I did from all of them, I believe.

Q. At what time was this that you arrived in Washington and made your report?—A. I got here on the 12th day of March, 1875, and the next day I made out my report.

Q. Did you have any conversation with the Postmaster-General in regard to it?—A. Yes, sir. I went in to see him and told him.

Q. Did you communicate the facts to him as you have stated?—A. Yes, sir. I told him, personally, that I had gone over the route and what I had found. Just stated the facts as I have now.

Q. You then made a duplicate of your report, and that was put on file in the Office?—A. Yes, sir.

Q. What was the action of the Department in regard to the contract when you made your report?—A. I don't recollect now, sir. I don't know that I would be consulted about that. I think that his service was suspended at once by the Postmaster-General, as soon as I had reported the thing. They telegraphed me to Texas for my report and I did not get the dispatch till I got home; that was a month, nearly, after I had made my first report.

Q. Under the regulations of the Post-Office Department, what deductions and fines ought to have been assessed against the contractor for failure in that respect, as you have stated it?—A. Well, it seems to me that a man ought not to be paid for what he does not do. Do you want to know what was done?

Q. I want to know what was done, and then what ought to have been done, if you know it?—A. Well, it seems to me that the man ought not to have pay for services that he had not performed; and I do not think there were any deductions made for the service prior to the 1st of January, 1875; I think he was just paid for the service as it was performed after that time. That is my impression.

Q. Your impression is that he was paid as if the service had been performed six times a week?—A. Yes, sir.

Q. And your report showed that it had not been?—A. Yes, sir.

By Mr. SLEMONS:

Q. Does your report show that the actual service on the route is only twice a week?—A. Yes, sir; it shows just exactly as I found the service; that is what I tried to report.

Q. That was actually twice a week?—A. That was six times a week on one end and twice a week for the residue, until the 4th of October.

Q. Do you understand that that was any service at all, or a six times a week service on one hundred and twenty-eight miles?—A. Well, that is the postmaster's report, and his pay was based on those reports.

Q. Were the reports of the postmaster at San Antonio and of the postmaster at Corpus Christi simultaneous that it was six times a week?—A. Yes, sir; each month. The postmaster at Corpus Christi reported the mail as departing and arriving six times a week; but the postmaster at Corpus Christi made false reports, because the mail was only leaving his office twice a week, and he had it published in the papers there that it would leave twice a week, but the register he sent to the Department was six times a week. On the 4th of October, 1875, a six-times-a-week service was commenced on the Corpus Christi end for twenty-eight miles out, and three times a week the residue.

By Mr. LUTTRELL:

Q. Did you have any conversation with the postmaster at Corpus Christi in relation to this matter?—A. No, sir; I do not think I spoke to him about it. I did not think it was necessary. I got all the evidence that he was sending in false reports.

Q. Do you know what action was taken by the Department against the postmaster of Corpus Christi?—A. He was removed. I remember his removal.

Q. Do you know whether any proceedings were commenced against him?—A. I do not think there were. Not to my knowledge.

Q. Did you have any conversation with the postmaster of San Antonio in relation to this matter?—A. Yes, sir.

Q. Did he admit to you that he knew that this service was not being performed?—A. He told me, and his records also show, that every month when he sent in his statements he indorsed on the back, "The mails come through twice a week." That was on all his registers; he showed that in the Department.

Q. That they came through twice a week?—A. Yes, sir.

Q. You being a special agent I will ask you is it not the custom for the postmaster at the head or foot of the route to report every failure of the mail to arrive; for instance, the mail comes three times a week, they will report that and if it fails once they report the failure?—A. Yes, sir.

Q. Has not the Post-Office Department required an excuse to be given or the pay for that trip will be deducted?—A. Yes, sir, that is the regulation.

Q. Do you know whether the Post-Office Department made any deduction for those failures of three times a week, or four times a week as reported by the postmaster at San Antonio?—A. I do not think they did. The face of his register would show that the service was performed all right, but when you turn over the back it shows the other state of facts. He came into the office every day, but he only brought the through matter twice a week, and the postmaster at San Antonio thought, of course, that there was something wrong, that the man was not performing the service.

Q. Did the postmaster at San Antonio admit to you, at any time, that he was aware that there was something wrong and call your attention to it?—A. Yes, sir.

Q. Had he ever notified the Department?—A. He said that he had, and I suppose that he considered that a notification to the Department, indorsing on the back of the registers that he only got letters through from Corpus Christi twice a week.

By Mr. CANNON:

Q. You are a special agent?—A. Yes, sir.

Q. How long have you been in the service?—A. About six years and a half.

Q. Where are you on duty now?—A. My headquarters are in Washington City.

Q. When did this contract commence, or do you know?—A. It commenced in 1871, I think.

Q. I am speaking of the contract that you went out to investigate?—A. That is the one that I am speaking of.

Q. The letting is for four years?—A. Yes, sir.

Q. Then the new letting commenced last year?—A. No, sir. I was investigating the one prior to that, the one that expired on the 1st of July, 1875.

Q. You were there in February, 1875?—A. Yes, sir; I was investigating the lettings.

Q. Kittle did not get the new contract?—A. No, sir.

Q. You went out there in February, 1875?—A. Yes, sir. I got into Texas the latter part of January.

Q. I suppose you have no knowledge yourself of what took place except what came under your own observation?—A. That is all.

Q. Whether the service was performed one, two, three, or four years before that time you do not know, unless it be from hearsay?—A. Well, I could see by the records that he got his contract in 1871.

Q. I am speaking now of the performance of the contract?—A. I can only speak of my own knowledge what I saw while I was there.

Q. Then, of what happened one, two, or three years before that time, you have no knowledge?—A. No, sir.

Q. At the time you were there, they were only performing daily service a part of the way?—A. Yes, sir.

Q. Although they were performing daily service at each end of the route?—A. Yes, sir.

Q. And you say that the returns of the postmasters at the respective ends, under the regulations, showed that fact?—A. Yes, sir.

Q. Those returns are in the Department, are they?—A. Yes, sir; the schedules are there, and the contractor's pay is based on that.

Q. The contractor's pay is based upon the return from the two postmasters at the respective ends?—A. Yes, sir.

Q. You became satisfied that this postmaster at the Corpus Christi end of the route had certified to an untruth?—A. Yes, sir; but not while I was there.

Q. But that he had, prior to that time, certified to an untruth?—A. Yes, sir.

Q. What was there appearing upon the face of these returns authorizing a deduction to be made?—A. There was nothing on the face of them. The Department could hardly help but pay, from the certificates that were sent in, because they showed that the service was performed, and not only that, but nearly all the postmasters along the route certified to the service having been performed six times a week.

By the CHAIRMAN:

Q. Do I understand you that nearly all the intermediate postmasters on the route so certified?—A. Yes, sir. They are not required by the Department to keep any record of the arrival and departure of the mails, but the contractors got them to send in certificates, so as to aid them in getting their pay through.

By Mr. CANNON:

Q. In fact, then, nearly all those intermediate postmasters certified to the same untruth?—A. Yes, sir.

Q. So that the Department here, under the regulations, could not well have helped but pay for the service?—A. They could not help it.

Q. The fraud existed in the certificates that were made along the routes?—A. Yes, sir.

Q. That is a sparsely settled country from Corpus Christi to San Antonio?—Yes, there is about fifty miles between some of the post-offices, and only one or two houses between two of them.

Q. That would give peculiar facilities for the perpetration of frauds of that kind?—A. Yes, sir.

Q. Upon whose order did you go out?—A. I received my instructions from Mr. Woodward, the chief special agent, and from the Postmaster General, both.

Q. You said a moment ago that it was your understanding that it was the duty of the Department to make a deduction, upon your report?—A. I did not intend to say that, sir; I did not intend to convey any such idea as that, because the Department could not do that; they must go according to the registers—the certificates sent in by the postmaster.

The CHAIRMAN. I would like to understand you thoroughly on that point.

The WITNESS. I do not think that the Department would have authority to make a deduction simply on my report. If all the registers in the Department show that the service is performed, and the certificates of the postmasters along the route show that the service is being performed, I do not think that the Department could make a deduction on my report. I do not intend to convey any such idea.

By Mr. CANNON:

Q. When you made this report that contract was at once canceled and that postmaster discharged?—A. Yes; I recommended his removal, and the Postmaster-General acted on it at once, and Mr. Kittle's pay was suspended not only on that route, but on all the routes that he had.

Q. Then the Department did what it could to get even with him?—A. Yes, sir.

By Mr. STOWELL:

Q. I did not understand exactly when that contract of Kittle's commenced?—A. I think it was the 1st of July, 1871.

Q. Consequently it ended in July, 1875?—A. Yes, sir.

Q. When did you discover the failure of the contractor to perform the service—in January, 1875?—A. No, sir; it was in February that I started. The 1st of February I left Corpus Christi to go over the route, which took me about eight days.

Q. Had those frauds been going on all that time, over three years?—A. I do not know; I can only speak from hearsay. The records of the office show that the service was being performed, but I found it in the condition I have stated when I went there. If I had just examined at each end of the route, of course, I would have found the service all right.

By Mr. MILLER:

Q. What time was it when you made your report to the Department?—A. I did not write out my report till I got back to Houston from San Antonio. I got back there in the night and left the next morning, and about two days afterward (I cannot give the date exactly, but I suppose it was about the middle of February) I sent off my report. That report was lost. I think the next report I made was dated the 13th or 14th of March.

Q. Your first report that ever reached the Department reached here in March?—A. Yes; I reached the Department myself on the 12th of March, and when I came in they asked me why I had not reported on the route, and I told them I had. They said they had not received my report, and the same day or the next day I wrote out the report again and submitted it to the Postmaster-General. I also saw him in person.

Q. The Department acted on that report?—A. Yes; the service was suspended.

By the CHAIRMAN:

Q. Where did you mail your first report?—A. At Houston, Tex.

Q. Have you any idea what became of that report?—A. I do not know, sir. It is a very difficult matter to trace those things up, when they go astray; that is a part of my business, though.

Q. That is the reason I asked you the question.—A. Well, it is a pretty hard matter to tell where it was lost. There were parties at both ends of the line who were interested in its being destroyed.

Q. Were the parties in Houston interested?—A. There may have been some one there; the contractor had some friends there.

Q. Did any one know that you were going to mail that report?—A. I do not know how they would have known it. I wrote it in the post-office, off in a corner by myself, at a high desk; no one could see me; and I inclosed the certificates that I had secured corroborating my statements, and inclosed the whole in a large official envelope, and took it over to the desk and had it stamped, and put it in the mail-pouch.

Q. And that report never reached the Department?—A. We cannot find any record of it on file in the Department.

Q. In answer to Mr. Cannon, you spoke of the intermediate postmasters certifying that the mail had been carried six times a week. Can you remember the names of any of those intermediate postmasters?—A. I do not know that I can give you the name of one of them now. We generally address them, when we meet them, as "Postmaster," and I do not remember the names. I think I have their names in a memorandum-book, but I am not positive.

Q. Were those postmasters at the intermediate stations between Corpus Christi and San Antonio, who made those false certificates, removed?—A. I do not know that any of them were. Those certificates are gotten up altogether by the contractor himself, and I understood how he got them.

Q. You understood that there was collusion between the contractor and those postmasters at stations between the two terminal points?—A. O, yes. The intermediate postmasters did not hesitate a moment to tell me just exactly how the service was performed; and I found it out by questioning the carriers myself, and I got their certificates also.

Q. Still, those intermediate postmasters certified that the mail had been carried six times a week?—A. They gave those certificates to the contractor, and they explained to me how the contractor got them.

Q. State how they explained it.—A. Their story was, that the contractor would have these papers all written out and would bring them and read them, and that they read that the service was being performed, as they knew it was being performed. Then the contractor would ask them to sign the certificate, and they would sign it without reading it, and it would turn out afterward that they had certified to the performance of double the service actually performed.

By Mr. STOWELL:

Q. They supposed they were signing for twice a week, and signed the paper without reading it, and afterward found they were signing for six times a week.—A. Yes; that is their story.

By the CHAIRMAN :

Q. Did they all tell the same story ?—A. All except one ; he did not have any story at all.

Q. You say you received your instructions from Mr. Woodward. What did he tell you to do ?—A. He told me to go to Texas and examine into the service there, particularly in regard to the service on this route, from Corpus Christi to San Antonio, and also on the route from Jewett to Crockett.

Q. Did he tell you why he wanted you to examine into those two routes ?—A. I did not have my instructions in writing. They were simply verbal instructions to proceed to Texas and examine that service, and I do not recollect whether he did or not.

Q. He must have given you some information or instruction about it ?—A. My impression is that he said he thought there was something wrong in the service on these routes.

Mr. STOWELL. The fact of his sending you would indicate that, wouldn't it ?

The WITNESS. Well, he wanted me to look after the service generally in the State.

By the CHAIRMAN :

Q. You stated, as I understood you, in answer to Mr. Cannon, that the papers being correct on their faces, the Postmaster-General could not do anything else than to pay the contractors their full pay. Now, if that was the case what were you sent down there for ?—A. I was sent down there on that route, I suppose, to see whether the service was being done as it was ordered by the Department. The Postmaster-General could suspend the contractors' pay on my report.

Q. And order an investigation ?—A. I suppose he could. I was sent there to investigate the facts, and when I reported the facts, although I was the only one that reported them in that way, the Postmaster-General did suspend the pay of the contractor, and all his routes in Texas, and he had quite a number.

Q. I understood you to say, however, that he was paid for the time that he had carried the mails ?—A. There was a settlement made with him afterwards.

Q. Then, although the Postmaster-General suspended his pay at that time, yet afterward the contractor was paid the full amount ?—A. Before I made my report he had been paid up, I think, to the 1st of January, but he had not been paid for the third quarter of the fiscal year, from January to April, and that pay was suspended. I think it was suspended from the 1st of January.

Q. He was paid nothing from that time ?—A. There was a settlement made with him afterward. I think that settlement was on the basis of my report. The majority of the records in the Department were in the contractor's favor, saying that the service had been performed in all the records, with the exception of this indorsement on the back of the San Antonio postmaster's certificate, that he had only received a through mail twice a week. I think there was some agreement made afterward to pay the contractor for the service that he had actually performed.

Q. Have you any idea how much the fines and deductions, for the time that he had failed, according to your investigations, to carry the mail according to his contract, would have amounted to under the regulations of the Department ?—A. I did make a calculation at one time, but I do not recollect the amount now, and I am afraid to state from memory.

Q. In the final settlement that was made with him, was the amount that was paid to him from the 1st of January for the last quarter sufficient to cover the fines and deductions that should have been made for his failure to execute the contract ?—A. I do not think it was. That is my impression now.

Q. Then I understand you to say that if the fines and deductions had been made according to postal regulations, instead of the Government owing him anything, he would have been indebted to the Government ?—A. Yes. I cannot state the amount, but I know that was the result of my investigations ; I know that the balance was against him.

By Mr. CANNON :

Q. You say he had a number of routes in Texas, and that his pay was stopped on the whole of them after you found out the irregularity on this one route. Now, do I understand you to say that the balance would have been against him on all of his routes ?—A. I think that was the estimate that we made.

Q. Do I understand you to say further that the Post-Office Department paid him with the balance standing against him ?—A. My impression is that they did.

Q. Were you present when he was paid ?—A. I was not. That is a matter that is not put in my hands at all. I was then in the inspection division with the clerk for some time, when this case was being made up.

Q. Did you report to the Postmaster-General the fact that this contractor was being paid when he ought not to be ?—A. I did not.

By the CHAIRMAN:

Q. Did you report to any one else?—A. I think I did to the Second Assistant Postmaster-General.

Q. Mr. Tyner?—A. I do not know whether Mr. French was there in charge at the time, or whether it was Mr. Tyner himself. The case, as we made it up, was submitted to whomever was in charge of the contract-office at that time, either the clerk of the Second Assistant Postmaster-General or the Second Assistant Postmaster-General himself.

By Mr. CANNON:

Q. After the case was made up you say that the Government was not in this man's debt, yet the Government paid him; do you say that?—A. I understood it so.

Q. I am not asking your understanding, but what you know.—A. Well, I did not see any one pay him, nor did I see any warrant given to him.

Q. Do you know that any warrant was given to him?—A. Only from what I have been told.

Q. These matters all appear on record in the Department, I suppose?—A. Yes; the records show what settlement was made and what amount of money was paid, or they ought to show; I never went to examine the records.

Q. I do not understand you to say, then, in the teeth of the record that the Sixth Auditor paid Kittle money against the record, or do you say that?—A. I do not know how to make it any plainer than I have stated it. I went into the inspection-room, where the account was being made up, and told the clerk how the service was performed when I was there, and how I had been told it had been performed for some time before, and upon that this pay was made up.

By the CHAIRMAN:

Q. You were assigned to duty at one time to work up frauds in the inspection-office, with instructions to look into the inspection-office and see if any frauds had been committed there?—A. Yes, sir.

Q. Is that the way you got the information that you have been speaking of?—A. Yes, sir; I was in that room for some weeks when this matter came up.

Q. Now, you state that from what you had been told you understood that more money had been paid to this man on his contract than was actually due him. Who told you? Was it told you by officers in the Post-Office Department?—A. Well, perhaps I am wrong in saying that. I heard afterward, I think I heard Kittle say himself, that he had been paid by the Department.

Q. You made your report, I understand, to Woodward when you returned—your verbal report as well as your written one?—A. Yes, sir; I think so. I think it was addressed to the Second Assistant Postmaster-General, and I told Mr. Woodward all about it, and the Postmaster-General, too. I saw the Postmaster-General in person.

Q. What did the Postmaster-General say when you told him about it?—A. Well, I don't know, unless he called the contractor a great rascal or something like that.

Q. You say that he suspended his pay?—A. Yes, sir; his pay was suspended about that time. I think it was about that time.

Q. Was anything said by the Postmaster-General at the time you had the conversation with him, or by any other officer in the Department with whom you had conversation, Mr. Woodward or others, to the effect that he ought to be fined, and there ought to be a deduction made for all the time that he had failed to execute his contract?—A. I don't recollect whether that conversation passed between us or not; my impression is that there was something of that kind said in the conversation.

Q. Try and see if you cannot remember what was said in that conversation with the Postmaster-General or with Mr. Woodward or Mr. French, or any one in the Post-Office Department?—A. My impression is now, that it was the idea to fine him for not performing the service ever since he had failed to perform it; I think that was in the conversation.

Q. You say Kittle told you that he had received more pay than he was entitled to?—A. I don't know whether he said that; he told me that he was paid money.

Q. That he was paid money on his quarter from the 1st of January to the 1st of April?—A. Yes, sir; well, I don't know how long; of course after his services were suspended the men that he had employed in Texas quit working for him, and the postmaster had to employ temporary service.

Q. When did Kittle's contract expire?—A. It would have expired on the 1st July, 1875.

Q. In the conversation that you had with Mr. Woodward when you returned, in regard to this missing report, what was said about that by Woodward?—A. I don't recollect exactly. He told me I would have to duplicate it, and he thought then—I think he said that he thought it was destroyed by some one in the Department; that the probability was that it came there, and that some one who was working in the interest of the contractor there had got hold of it and destroyed it; he did not know that certainly, of course; it was only a surmise.

Q. Have you in your capacity as detective ever developed any fact satisfactory to your own mind as to where that paper was destroyed?—A. Yes, sir; I always felt perfectly satisfied in my own mind in regard to it; that it was a clerk in the Department who had gotten hold of it and destroyed it; he always, of course, denied it to me. There were several other reports of mine that I sent home that did not seem to be received. I think there were one or two others that I sent home, foreign to this route, in regard to other routes, recommending that there be no service put on them, but I never could find them in the Department.

By Mr. LUTTRELL:

Q. Other routes in Texas?—A. Yes, sir.

By Mr. CANNON:

Q. You made a duplicate of the written report, did you, in reference to this route from San Antonio to Corpus Christi, when you found the first one had been lost or destroyed?—A. Yes, sir.

Q. That report you filed in the Department?—A. Yes, sir; and I think it is in the Department to-day.

Q. Whatever action was had then (I am speaking now of legal technical action) by the Department was upon that report?—A. Yes, sir.

Q. And not upon any loose conversations you had with A, B, C, D, E, or F?—A. No, sir.

Q. In whose office did you file that report?—A. I think that I handed the report to Mr. Woodward, the chief special agent.

Q. Did you see that report after that?—A. No, sir; I don't know that I ever saw the report myself after that. I don't recollect seeing it.

Q. Whether it is in existence at this time you don't know?—A. I cannot say, sir.

Q. Who made up his account?—A. Mr. O'Brien was the clerk in the inspection-office who had charge of that desk.

Q. Where is he?—A. He is not in the Department now.

Q. When did he get out of the Department?—A. Well, I cannot give you the date. I was away from Washington for some weeks, and when I went away he was in the Department, and when I came back he was out.

Q. About when was that?—A. I think it has been since the first of the year.

Q. Was he discharged or did he resign?—A. I think he resigned.

Q. Did you ever see the account that he made out?—A. Yes, sir.

Q. Was it correct or incorrect, or do you know?—A. Yes, sir; I believe it was; it was correct, because I gave him the statement, and he made the calculations from it.

Q. What did he do with that account?—A. I think he took it to the Second Assistant after he had made it out, as he generally did. No, I don't know; perhaps he gave that account to Mr. Lake, who has charge of that inspection division, and he would take to the Second Assistant.

Q. What finally became of that account after it got to the Second Assistant?—A. Well, it was brought back to the office. There was no action taken on it at that time; that is my impression now. I know that it was brought back to the office.

Q. What month was that—March or April?—A. I think it was in May.

Q. Then it was after Mr. Tyner, the present Second Assistant Postmaster-General, had entered upon the performance of his duties?—A. Yes, sir; I think it was after he went there.

Q. How long after May was it before this final settlement was made with this contractor, Kittle?—A. It was either in June or July last.

Q. What kind of money was paid to Kittle, or do you know?

A. I do not know. I am not positive as to the month.

The CHAIRMAN. Do you allude, Mr. Cannon, to the final settlement?

Mr. CANNON. Yes; I am speaking of the final settlement when this witness says he was paid money that was not due him.

Q. How much money was paid to Kittle?—A. I don't know what the amount was.

Q. Do you really know that any money was paid to him?—A. I did not see any money paid to him nor any warrant given to him.

Q. It was not your part of the business to pay him?—A. No, sir, that went up to the Sixth Auditor's Office, and I was not there.

Q. The Sixth Auditor passed upon a certificate from the Second Assistant Postmaster-General?—A. Yes; I did not see that certificate; but I know that there was a settlement made with Kittle.

Q. Have you ever seen a statement of the final account that was made up in the Second Assistant Postmaster-General's Office?—A. I do not recollect seeing it.

Q. You do not want to be understood, then, as testifying here that on the settlement of that account, the account was so adjusted as to give Kittle money that he was not entitled to under the law, do you?—A. As I told you before, I did not see any money paid to him nor any warrant given to him. I know that there was an agreement made to adjust that account. It was held suspended for a time, and there was what you would call a compromise of the matter, and they agreed to settle his account on

the basis of my report for the service he had performed from the first of January—to pay him just exactly as he had performed the service.

Q. But whether that was according to law, and whether the Post-Office Department was justified in making that settlement or not, you do not pretend to say?—A. No, sir.

Q. Then you do not want to be understood as saying that money was paid to this man improperly by the Post-Office Department, or by the Sixth Auditor, do you?—A. Well, I might have my own opinion about it.

Q. I am not speaking about your opinion; what, as you know?—A. I only expressed my opinion.

Q. You expressed your opinion?—A. Yes; that is what I intended to do. The Department may have thought it right, and I might think differently. I know what the regulations require in regard to fines and deductions. It is governed by regulations; there is no law in regard to it.

Q. No law in regard to it?—A. No, sir; it is only a regulation of the Department.

Q. It is wholly without authority in the postal code; do you say that?—A. Well, I was looking over the matter to-day, and it is under a regulation of the Department that I find what fines and deductions are to be made. There is nothing about it in the law. It is in the regulations.

Q. Are you a lawyer?—A. No, sir.

Q. Have you ever read the postal code through from one end to the other?—A. I do not know that I ever sat down and read it from one end to the other.

Q. How can you say, then, that there is no provision in the postal code in regard to it?—A. I asked that question of a clerk to-day who has been there for ten years. I asked him upon what they based their fines, and he said there was no law in regard to it; that it was merely a regulation, and he turned to the chapter of the regulations governing it. Then we went through the law and could not find anything there in regard to it. I suppose there is a law allowing the Postmaster-General to make these regulations.

Q. Then there is a law for those regulations?—A. Yes; he is authorized to make regulations; but that matter is not provided for by a special act.

Q. Have you ever seen a statement of that account as it was finally made up?—A. I do not know that I ever did see it; I have no recollection of seeing it.

Q. Then you have no charge to make against the Post-Office Department in general, or any particular employé of the Department, of paying this money improperly?—A. No, sir. I do not say that they paid any money improperly. I only know what I have been told about that. I do not recollect now that I saw this statement of that account as it was made up. I saw a statement of the account as it was first made up; but I did not see the one that was finally made up. That is my present recollection. I have some memoranda that would refresh my memory, perhaps; but they are not here.

Q. You say that, in your opinion, that first report of yours was destroyed in the Department by a clerk?—A. It is an opinion of mine that I have formed. I may have thought so, but I do not know so, because there is a number of places where it might be lost between Texas and here.

Q. Letters are frequently lost between Texas and here?—A. Yes.

Q. A dishonest contractor or postmaster or route-agent might have taken it?—A. Yes.

Q. If you have any evidence against any clerk in the Post-Office Department, or any clerk who has been there, we want to know his name and what the evidence is.—A. Evidence that he destroyed this package?

Q. Yes.—A. I have not any evidence. I know that he admitted himself that he was in the employ of the contractor and working in his interest—I mean the man who has charge of the Texas desk.

Q. He admitted that to you?—A. To the Postmaster-General.

Q. Did you hear him make the admission?—A. No, sir.

Q. Then that is a mere hearsay? I want to know what you know yourself.—A. I only know from hearsay.

Q. What has become of that clerk?—A. I only know what I have heard.

Q. What is his name?—A. Floyd. I cannot give his first name.

Q. Where is he now?—A. I only know from what I have heard. He is not in the employ of the Department now. I think he left there last June or July. I do not know whether he resigned or not.

Q. Then you simply, in your own mind, accuse or suspect him or somebody else, but you have no evidence about it one way or the other?—A. That is what I say, that I suspect this clerk myself, and from what was told me in the Department I feel pretty certain about it, but he did not make any confession to me.

Q. Do you know of any men in the employ of the Post-Office Department, in Washington, who are guilty of frauds, and have you any evidence against such men?—A. Now?

Q. Yes.—A. I do not know of any. Is your question whether there is any person in the Department, to my knowledge, who has committed frauds? I do not know of any one.

The CHAIRMAN. Mr. Cannon has asked whether you know any person now in the employ of the Government in the Post-Office Department who has committed frauds or is accessory to frauds.

Mr. CANNON. Yes; in the adjusting of these accounts and matters of that kind.

The WITNESS. I do not know of any, sir.

The CHAIRMAN. I want the witness to understand that you asked him whether you understood him to say that some one in the Department had committed a fraud in paying that money to Kittle.

The WITNESS. I do not know, only what I have heard, as I said before.

By Mr. McMAHON:

Q. This report that you made up in Texas, you made up on full investigation, fortified by certificates?—A. Yes.

Q. Were the facts of that report, all you filed in Washington, ever denied or disputed by any one interested in the matter?—A. No, sir.

Q. Were the fines and deductions then entered up by the Postmaster-General against Kittle in pursuance of your report and upon that basis?—A. The only thing that I can say in answer to that, is, that sometime afterward I went into the inspection office, and, with the clerk, made up the case on the facts as I had discovered them in the South.

Q. On your report?—A. Yes; but if you take the papers in that case, the evidence is against me.

Q. You say the fines and deductions were entered up according to your report. Did not they amount to very nearly \$30,000?—A. I do not recollect the amount; it was in that neighborhood.

The CHAIRMAN. Twenty-four thousand one hundred dollars, was it not?

The WITNESS. I do not recollect the exact figures, but it was between twenty and thirty thousand dollars.

By Mr. McMAHON:

Q. When they settled with Kittle, did not they settle upon the basis of deducting less than two thousand dollars?—A. I cannot now recollect having seen that case when it was made up for final settlement. I recollect very well that there was an agreement entered into; he was anxious to get his money, and they wanted to fix it in some way, and they agreed to settle the account in some way.

By the CHAIRMAN:

Q. What was that agreement?—A. It was a kind of compromise, but I have no recollection now of seeing that case after it was made up finally by the clerk on the basis of that compromise.

By Mr. McMAHON:

Q. The papers in the Office would show how much was paid?—A. Yes; the Sixth Auditor's Office ought to show it.

Q. Was not Kittle afterward re-instated in all his rights, and did not he run his routes?—A. No, sir; he has not performed any service in Texas since, to the best of my knowledge.

Q. Did not he have some contracts in other names than his own, which were known to be his contracts, since that time?—A. No, sir.

By the CHAIRMAN:

Q. Not since July, 1875?—A. No, sir. I may possibly be wrong in regard to it. I know that on this route from San Antonio to Corpus Christi he did not perform the service up to the end of the year. There may have been some other smaller routes that he did run on; he had quite a number of them; I do not know now all the routes that he had.

By Mr. MILLER:

Q. In your investigations did you find out that there was any failure to carry out the contract on any other route than this one by Kittle?—A. Yes.

Mr. Cannon interposed the general objection to the witness stating his "opinions" in regard to matters and accounts of record.

The Chairman ruled that the witness had a right to state his opinions in regard to the results of the work which he was employed by the Post-Office Department to do.

By the CHAIRMAN:

Q. I wish to turn your attention to some other contracts that I have understood you had something to do in working up and reporting to the Government—the Peterson contracts.—A. I never had anything to do with the Peterson contracts; that is, I was never over the route. It is in a different State.

Q. Do you know anything about these contracts?—A. I only know from the records that I have seen in the Department.

Q. Do you know anything, from what you have seen in the Department, about the fines and deductions that were made?—A. I know that they were made.

Mr. Cannon objected to the witness testifying to what he had seen in the records, on the ground that the records should be produced to speak for themselves.

The question was waived.

Q. Do you know anything about those contracts from what the officers in the Department, who had these questions in charge, have told you?—A. I never heard any one express any opinion about them, except that the clerk may have said something to me about there being pretty heavy fines on the route, which he had figured out and which the record shows.

Q. Then you had nothing to do with the Peterson contracts?—A. No, sir.

Q. What do you know about other contracts with this man Kittle?—A. In regard to one other route of his that I was over, the service when I was there was being performed as required by the Department. He had just commenced performing it a short time before, as I learned from the postmasters along the route. That was the route from San Antonio to Beeville. It used to be one route from San Antonio to Rockport, but now it is two; one from San Antonio to Beeville, and one from Beeville to Rockport.

Q. You were sent there to investigate that route also?—A. In going down from the San Antonio and Corpus Christi route I went across on to the other. I was not sent specially to look after it, but I had got some information about it, and I went over just to see some of the postmasters there, and one of them told me that the service there was being performed as ordered by the Department, but that it had only commenced a short time before; I do not recollect now the date when the three times a week service commenced.

Q. He told you that previous to that the service had not been carried out according to the contract?—A. Well, he did not know whether that was the way it was ordered or not. He did not know whether it was ordered twice or three times a week, but I knew it was three times. He said they had put on an additional trip there sometime before.

Q. Was that the only other route of Kittle's that you investigated?—A. I was on another route of his, but I was not able to get over it. I could not get an outfit, could not get even a horse to ride. It was the road from Crockett to Jewett, and the only way I could get any information was, while I was there in the State, I wrote to different postmasters on the route and they replied, telling me how the service was performed. I went there with a view of going over that route, which was sixty or seventy miles long, but, as I say, I could not get any outfit or any one to take me. The roads were so bad that they could not travel, and the horses were so weak that they could not carry me—little Texas nags. I gained some information in the little village that I was in.

By Mr. MILLER:

Q. You said that that final adjustment was made up on the basis of your report: that is, I suppose, deducting the number of trips that you ascertained that the contractor did not perform. I do not mean that it was made up on your estimate of the amount of the fines, but on your report of the number of trips.—A. I think he was paid for the service that he actually performed. He would not admit, but did not deny, the truth of my report.

There is one point that I have stated positively in my testimony, but since I have been thinking about it, it occurs to me that I may be wrong about it; I have not looked over my memoranda since July or August last, and I had very little idea of what was required of me here, though I supposed it was something in connection with the contracts in Texas.

By the CHAIRMAN:

Q. I understand you to say that you were detailed at one time to go into the inspection department to develop frauds, if there were any in that department?—A. Yes, and to get a knowledge of how the business was performed, with a view at that time, I think, of going back to Texas.

Q. Did you develop anything in that department and report it to the Postmaster-General, or to other officers in the Department?—A. I think I saw some records there that were not altogether complete, but I only know that the clerk told me that the pay of contractors had been based sometimes on the certificate of only one postmaster, if my recollection serves me right, and I think I spoke of it to Mr. Woodward.

Q. The clerk told you that the pay had been based on the report of only one postmaster?—A. Yes. The regulations require that the certificates and the registers shall be from the postmasters at both ends of the route, and that the pay shall be based upon them. The clerk showed me some place in the book where he had failed to receive the certificate from one of the postmasters at the end of a route.

Q. What clerk was that?—A. Mr. O'Brien, the gentlemen who was here to-night; Dr. O'Brien.

Q. How long did you remain on that duty?—A. I was there several weeks; I cannot tell you exactly the number. My journal at home would tell exactly.

Q. Are you in the habit of keeping a journal?—A. We generally keep a journal of where we are each day and of our duties. We generally make out a copy of our journal and send it to the Department. For that time I would merely state in my journal that I was occupied in the Post-Office Department, or I suppose I would say that I was in the inspection division; being here in Washington it is not necessary to go into details as we do when we are away.

Q. These irregularities that you saw in the Department, did you report them to anybody?—A. It seems to me that I reported them to Mr. Woodward. It seems to me that I must have spoken of them to him.

By Mr. CANNON:

Q. When was it that you were in the Department?—A. I think it was along through May or June, 1875. I may possibly have been there in part of April. I cannot speak positively about that now. I was there several weeks. I may have been away for a few days—sent away on some business—and then back again.

Q. Mr. O'Brien, you say, told you that in some one or more instances payment had been made contrary to the regulations on the certificate of one postmaster?—A. Yes; and he showed me in his book where he did not have the certificates of the postmasters at both ends of the route.

Q. That he had not entered them in his book, or that he had not received them?—A. He said he had not received them.

Q. Did he tell you that payment had been made in this instance?—A. He told me in some cases they had been paid. I don't know this of my own knowledge; I am only repeating what he told me.

Q. What case did he say had been paid?—A. I cannot recollect the case now. I went over quite a number of cases.

Q. Quite a number where he said the facts existed, or quite a number altogether?—A. Quite a number of cases altogether that I went through at his desk.

Q. What excuse did he give for making up the accounts in these cases?—A. He said he was instructed to make them up. I cannot recall any of those cases now.

Q. Would you recognize the books or accounts if you saw them?—A. I should recognize the books.

Q. Could you turn to the account or the route?—A. Do you mean one account?

Q. Yes.—A. O, there was more than one that was made up in that way, but there are three or four hundred routes in the State of Texas, and I could not recollect any particular one now.

Q. Who is Mr. Woodward?—A. He is chief special agent of the Post-Office Department. We report to him.

Q. Where is he on duty now?—A. His headquarters are in Washington. I think he has been in that position since Governor Jewell has been Postmaster-General.

Q. How long did that man that you have mentioned remain in the Department after you had reported him to Mr. Woodward?—A. As I said before, I think it was since the first of the year that he resigned; somewhere about the first of January. I never knew that he was out of the Department for several weeks after he left.

By Mr. WALKER:

Q. Did Mr. O'Brien consult you, as a detective, in that matter, to know whether the service had been performed or not, as he had only the certificate from one end of the route?—A. He was instructed to make up the case by his chief.

Q. But you, being a detective, did he consult you to know whether the service had been performed or not—was that his object to get information from you as to whether it had been performed?—A. I do not know whether he asked me that or not; he may have asked me about some routes in Texas; I have no doubt he did, as he had charge of the desk.

By Mr. CANNON:

Q. Who did he say instructed him?—A. I think he said Mr. Lake instructed him. Mr. Lake has charge of the inspection division.

By Mr. STOWELL:

Q. Did I understand you to say that he said that he had been instructed to make up the account and have it paid, or simply to examine into the condition of the account and see whether the requirements of the Department had been complied with or not?—

A. My recollection now is that it was in this way: that he had been instructed to make up this case; that after he had made it up he gave it to Mr. Lake, and when he saw the case next it was allowed. The case would come back approved, and then he would make up a certificate for the payment, and I think he told me that he had made up the papers for the final payment.

Q. With the knowledge that only one certificate from one postmaster was in?—A. Yes.

By Mr. CANNON :

Q. Mr. O'Brien said in substance, then, that he was instructed by the chief of the inspection bureau to make up the account when only the certificate of one postmaster was in?—A. It ought to be the certificates of one postmaster. There is a certificate for each month.

By Mr. LUTTRELL :

Q. You say it requires certificates from postmasters at both ends of the route before any account is made up?—A. Yes, that is what the regulation requires.

Q. And still you were informed that the instructions were to make up the account from the certificate of one postmaster without waiting for the certificate of the other to arrive?—A. Yes, sir. Sometimes they may have certificates from other places that they seem to think would be satisfactory.

By Mr. MILLER :

Q. From intermediate points?—A. Yes, but the regulations are that they must have the certificates from each end of each route.

By Mr. WALKER :

Q. Did you as a detective give them any information that the service had been performed?—A. No, sir; I did not know; I had not been over the route.

By the CHAIRMAN :

Q. The pay is not made up on the certificates of postmasters at intermediate points?—A. No, sir; the regulations require that the postmasters at the termini of the route shall each give a certificate, but very often contractors will get intermediate postmasters to send in certificates, because it helps to get their pay adjusted.

Q. It helps them to defraud the Government?—A. I do not know about that. If I were a contractor, I would like to have certificates from intermediate postmasters all along the route.

By Mr. MILLER :

Q. Do you know that the chief of this bureau had given the order to make up the account?—A. I only repeat what the clerk told me.

Q. You do not know whether he told you the truth or not?—A. No, sir; I do not know anything about that. That clerk is not in office now; I think he resigned.

Adjourned.

WASHINGTON, *February 1, 1876.*

P. H. WOODWARD sworn and examined.

By the CHAIRMAN :

Question. State to the committee what is your employment.—Answer. Special agent of the Post-Office Department. I have been in that service between eleven and twelve years. I have not been all the time in the Department here. I have been in Washington since the 1st of November, 1874. I was appointed in 1865, and was at the South for a number of years, and afterward in Connecticut.

Q. Has your line of duty been in the same direction most of the time in which you have been employed in the Department?—A. No, sir; during the first two or three years I had most of the time the charge of the organization of the mail-service at the South; that is, it gradually devolved on me, not by any appointment, but it fell on me. Then, when General Grant came in as President, I was switched off from that and employed on mail depredations for two or three years. Of course that involved a large amount of miscellaneous work, and for the last fourteen months I have had charge of the special agents on depredations.

Q. State what your duties are now in the Department?—A. They are about this: Complaints of losses in all parts of the country come to me, and my business is to, so far as possible, locate these losses. Of course a thief in East Tennessee, for instance, might steal letters going from the extreme north to the extreme south, and I try, so far as possible by myself and my assistants, to locate these losses and then designate the men who shall catch the thieves. Then there is a great deal of miscellaneous work done by the Department. For instance, complaints that there are troubles in communities in reference to location of post-offices. I generally designate the men who attend to that. More or less postmasters embezzle money-order and post-office finances. There are a few money-order agents that I have nothing specifically to do with, but the force on mail depredations have to attend to a great deal of that business, and when they do I designate them.

Q. Investigations, then, into the mail-contracts come not under your supervision?—A. They would to a certain extent. I would designate the men who would make the investigations.

Q. Please inform the committee what investigations you have had made in regard to particular contracts, who the agents were that you sent out to make the investigations, what reports they made to you, if those reports are on file in the Department, and what action was taken on them.—A. Do you mean throughout the country?

Q. You can begin on any particular contract.—A. Well, you have embraced so much in your question that I should hardly know where to begin. Perhaps I should make a little further explanation so that you would understand the matter still better. Of course, you are aware that in the Department the legitimate duties that devolve upon each one of us are very engrossing. More than half of the time this winter I have been at the Post-Office Department by 8 o'clock in the morning. It has always been my custom, so far as possible, to restrict my investigations to matters that properly belong to me. For instance, when an agent was sent to investigate mail-contracts, the reports came in to me; but in most instances I turned them over to the Second Assistant Postmaster-General without even reading them, because I have not time to do it; and as it is a matter falling particularly within his province, I never have familiarized myself with the details of these investigations.

Q. I will direct your attention specially, then, to the contractor on the route from San Antonio to Corpus Christi.—A. Mr. Hopkins was sent to Texas early in 1875, and was there five or six weeks, and went over a good many of those routes, and his reports, I have no doubt, are all on file in the Department, which would show for themselves. He reported irregularities on some routes; but the specific details I am not familiar with. His reports were made to the Second Assistant Postmaster-General. That is, they were transmitted through me, and some of them, perhaps, might have been addressed to me; but the action on them would be taken in the office of the Second Assistant Postmaster-General, and not at all in our division.

Q. Did you not give the instructions to Mr. Hopkins?—A. I wrote the letter of instructions which Mr. Hopkins went out under.

Q. What were the instructions?—A. Well, they cover, perhaps, three pages. I know my general instructions to him were to go there and make a thorough and exhaustive investigation, and to give us the exact facts.

Q. What was the object of the investigation?—A. We supposed there were frauds there, and if there were, it was to discover them and correct them.

Q. Did he discover any frauds?—A. I think he did.

Q. Were they corrected?—A. I think they were.

Q. Please tell the committee how they were corrected.—A. Well, my impressions of that matter would be general. There was a contractor by the name of Kittle, in whose routes he discovered more or less irregularities, what he believed to be frauds; I think the second assistant took action on those cases right away. I know it is the purpose there to be very prompt and thorough in those matters.

Q. What was the action taken?—A. I could not say; that is a matter that does not fall within my province.

Q. Is it within your knowledge?—A. No, sir; I could not say that it was; I don't think that Kittle has any contracts now; and whether his contracts were annulled at that time or not, I could not say.

Q. You say then that you don't know whether there were any fines assessed or deductions made?—A. Yes, sir; I know there were some fines made against him.

Q. What were they for?—A. For non-performance of service. Some of the facts come back to me now.

Mr. CANNON. I object to the witness being asked to state matters that appear on record in the Department. The records being easy of access, let them speak for themselves.

The WITNESS. My knowledge of what the fines were would be merely incidental.

The CHAIRMAN. No matter how the knowledge came to you if you have it.

The WITNESS. I only mention that to show you my knowledge would be very general.

Q. What were those fines and deductions for?—A. As I recollect, for non-performance of service, or perhaps because service had not been performed according to contract—non-performance.

Q. How long was there a want of performance according to contract?—A. There is a good deal of difference in the evidence. They have curious postmasters down in that country who will certify to most anything. There seemed to be some discrepancy between the certificates of the postmasters and the statements of Mr. Hopkins.

Q. Do those certificates come to you?—A. No, sir; to the second assistant.

Q. What was the amount of fines entered?—A. I could not say.

Q. Who has possession of the papers that will show that?—A. I presume they would be in the office of the second assistant. Those matters would be determined in the inspection division in the office of the Second Assistant Postmaster-General.

Q. You are in charge of the inspection bureau, I understand?—A. No, sir. The primary duties of the inspection bureau of the second assistant's office are these: The reports of mail-service throughout the United States are made to them, and it is on

their certificates that contractors are paid ; for instance, here is a route running from Washington to some point in Virginia—at the close of the month or quarter, as the case may be, the postmasters at the terminal offices would certify as to the character of the service during the quarter. Those certificates would go to the inspection division of the Second Assistant Postmaster-General, and their records would be made from those certificates of the postmasters. Of course, if a postmaster should make false returns, his action might mislead the Department—would mislead them unless they had some means of correcting that misinformation.

Q. State to the committee what knowledge came to you in your official capacity in regard to frauds committed by this man Kittle, in carrying the mail on the route that we are alluding to ; or any other route.—A. My knowledge of Kittle's frauds, my personal knowledge, commenced at a later date in reference to his attempts to defraud the Government afterward, by fictitious bids. I don't know that I had any personal knowledge of that investigation in Texas ; all those reports went to Mr. Tyner, and if I had any knowledge in regard to them, it was something that came up incidentally.

Q. Did not Hopkins consult with you and talk with you in regard to this fraud on the route from Corpus Christi to San Antonio ?—A. He may have done so to a certain extent.

Q. What did he say to you when he came back ?—A. Of course, when one does not have to act in these matters he does not treasure them up as he would matters that belong to him ; but my recollection is, that Kittle had been in the habit of taking the mails out from both ends of the route, carrying them out a few miles, and perhaps, during the intermediate distance, not performing the service oftener than three times a week, while performing it on the ends, say every day. In this way he would manage to get certificates from the terminal postmasters. For instance, he would carry the mails out from each end ten, twenty-six, or thirty miles, perhaps, as short a distance as was practicable. Now, the postmaster might know that he was not faithfully performing the service. If he did, it would be his business to inform the Department ; but I know that he got his certificates from the terminal postmasters, and it was in that way that the Department had been misled. Hopkins went through the whole line, and I think he got certificates from nearly all the intermediate postmasters that the mails had not been carried as the terminal postmasters certified they had been, perhaps not more than three times a week, or twice a week. Of course, the full truth would have been that those mails were carried through from one office to the other twice or three times a week ; but it is perhaps within the range of possibility that a postmaster might be deceived, though I don't see how it would be possible. But in going over the route he got information from the postmasters and others that the service had not been performed throughout the whole extent.

Q. Do you know whether those postmasters were removed, all of them ?—A. Yes, sir ; the postmaster at Corpus Christi was removed, and I think it was upon the representations in part of the postmaster at San Antonio that that investigation was made. My recollection is that the postmaster at San Antonio reported that Kittle herein performed his service properly, and that that was one inducement to the investigation. He is still postmaster.

Q. What effect would that improper service have on Kittle's contract with postal regulations ?—A. Well, I should suppose—

Q. Don't you know ?—A. I should suppose that Kittle's contract would be annulled if he was engaged in any fraud of that sort.

Q. Did I understand you to state that you don't know whether they had been annulled or not ?—A. I think he has no other contracts.

Q. But at that time ?—A. I could not tell about the dates.

Q. Do you know anything about the final settlement that was made with Kittle in regard to this contract, or other contracts ?—A. I know that he was fined, and that a portion of the money that was due to him was paid to him.

Q. How much was due to him ; a quarter, or less or more ?—A. I could not say about that.

Q. Don't you remember about that ?—A. It is something that I had nothing to do with.

Q. Don't you know it ?—A. No more than what you would know from anybody ; an employé of the Department cannot know everything that is going on in all parts of the Department.

Q. But suppose you were told by an employé of the Department, you would know it then, would you not ?—A. I should ; but I should know it—

Q. Did any employé in the Department tell you what the fines were ?—A. Well, I knew at the time ; that is, I had some knowledge of it. There were several thousand dollars, I think, deducted from his pay.

Q. Getting your information from the same sources, don't you know that those fines were not sufficient to cover the frauds that he had committed against the Department in not carrying the mail according to his contract ?—A. No, sir ; I didn't have the adjutant of any of those matters at all, and they did not come within my knowledge.

Q. Don't you know it in the same way that you got the other information, from officers of the Department?—A. No, sir; I could not say that.

Q. Please state where all the reports as well as the statements on which warrants were issued for pay on those routes went to, who had charge of them, and where they went to.—A. That is, the routine that this account would go through?

Q. The reports first made by the detectives who were sent out under your instructions to make investigations; how, to whom, were those reports made, and where do they go?—A. Those all went to the Second Assistant Postmaster-General.

Q. Did your duty end with simply giving instructions to the detectives to go and investigate certain contracts?—A. Certainly, that is where my duty ended.

Q. Then you never had any cognizance of the matter of those reports after they were made?—A. No, sir; not officially. I don't know that I ever read one of them.

Q. Did you have any conversation with Hopkins about his report?—A. Yes; I had more or less conversation.

Q. Did he not tell you that he had mailed a report to the Department?—A. Yes, sir; there was one report that he mailed to the Department that we never could find.

Q. What conversation did you have in regard to that?—A. We tried very hard to find it. We had, perhaps, a number of conversations in regard to it.

Q. What was the impression you had in regard to that?—A. My impression was that some clerk in the Post-Office Department stole it.

Q. That did not come under your department; why were you and he talking about it?—A. It would come directly in my department, because when that was lost it was a mail depredation, and then it became an original matter for me to investigate.

Q. Did you investigate that?—A. We did.

Q. Did you ascertain what became of it?—A. No, sir; that is, we only had our theory.

Q. What was your theory?—A. That some dishonest clerk in the Post-Office Department stole it.

Q. But you were not able to find out?—A. Well, we found out afterward that a number of men were acting very rascally, and the inference was that he might have been one of these men. Of course, if it was stolen, it was stolen in the interest of the contractor.

Q. Do you mean to say that the fines and deductions that were made against Kittle were sufficient in amount to cover all his failures to carry out his contract correctly?—

A. If I should answer that question, it would be expressing an opinion upon a question upon which I am not in any way entitled to express an opinion.

Q. Did you ever hear any postal officers speak in regard to that? What have you heard about it in the Department?—A. I could not swear to conversations that I had.

Mr. CANNON. Mr. Chairman, do you mean now as to mere expressions of opinion, or of facts?

The CHAIRMAN. I mean statements. Officers in the Department can make statements that come within their knowledge and they could tell *him*. I mean that.

The WITNESS. I do not know that I ever heard an opinion expressed by any one on that point.

Q. Are you not aware that, in the working up of the fines and reductions on these contracts with Kittle, he was found indebted in a very large amount, under the postal regulations, for a failure to carry out his contract, and that the fines and deductions that were actually charged to him in his final settlement were a great many thousand dollars less than the amount should have been?—A. I know that in settling his accounts Mr. Hopkins was in great distress about the loss of the letter, because it brought his unsupported statements in conflict with all the records of the office. According to records by which accounts are settled, Mr. Kittle had been performing his service according to contract. Mr. Hopkins was a man that we believed in and a man that we trusted, and yet the evidence which he furnished disappeared in this letter, which left Mr. Hopkins in a very embarrassed position, which he felt very keenly. I know at one time I thought of sending him back to duplicate his evidence; but other matters came up and he never went back.

Q. I may understand, then, that, notwithstanding the fact that you sent out those agents for the purpose of working up these fraudulent contractors and the fact that they made reports and that those reports were acted on and fines and deductions were made, you never had even curiosity enough to learn what had been done in regard to many of those cases?—A. Well, if my curiosity should lead me to follow up everything that passes through my hands in the Post-Office Department, I should have to work every day twenty-four hours.

Q. I understand, then, that you did not know anything about it?—A. No, sir; it is something that did not come within my province at all.

Q. Or anything about the fines and deductions that were made of any mail-contractor?—A. No, sir; anything that I might say would be apt to mislead, being based entirely upon vague impressions. I could not speak for the records; they show for themselves. Of course, a great deal goes through my hands. For instance the investigations that are made under the direction of the First Assistant Postmaster-General,

at the time exceeds the sum of five thousand dollars, shall accompany their bids with a certified check or draft, payable to the order of the Postmaster-General, upon some solvent national bank, which check or draft shall not be less than five per centum on the amount of the annual pay on said route at the time such bid is made, and, in case of new or modified service, not less than five per centum of the amount of the bond of the bidder required to accompany his bid, if the amount of the said bond exceeds five thousand dollars. In case any bidder, on being awarded any such contract, shall fail to execute the same, with good and sufficient sureties, according to the terms on which such bid was made and accepted, and enter upon the performance of the service to the satisfaction of the Postmaster-General, such bidder shall, in addition to his liability on his bond accompanying his bid, forfeit the amount so deposited to the United States, and the same shall forthwith be paid into the Treasury for the use of the Post-Office Department; but if such contract shall be duly executed and the service entered upon as aforesaid, such draft or check so deposited, and the checks or drafts deposited by all other bidders, on the same route, shall be returned to the respective bidders making such deposits. No proposals for the transportation of the mails where the amount of the bond required to accompany the same shall exceed five thousand dollars shall be considered, unless accompanied with the check or draft herein required, together with the bond required by a preceding section: *Provided*, That nothing in this act shall be construed or intended to affect any penalties or forfeitures which have heretofore accrued under the provisions of the sections hereby amended."

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Approved, June 23, 1874.

H. Rep. 814—VIII

many of them, pass through my hands, but most of them I do not read for lack of time, because I have not to act upon them at all, and I only read those matters upon which I have to act. A case goes to the office of Mr. Marshall, the First Assistant, and it would be a work of supererogation for me to go over all the papers when he has to make the final decision, and for lack of time one *cannot* follow those matters up. Now, when Kittle put fraudulent bids in afterward I had a great deal to do with working that matter up; and it came within my own personal knowledge, though it has passed from my recollection now; but the other matters, reports from the northwest or other parts of the country, they come to me under cover, and I very rarely read them further than to see that they do not pertain strictly to my duties, and I turn them over to Mr. Tyner, the Second Assistant Postmaster-General.

Q. Do you state, then, to the committee that in your official position no knowledge has come to you of frauds by mail-contractors where fines and deductions were made on account of those frauds—that you don't know anything about the amounts of the fines and deductions that were made?—A. No, sir; I do not know the fines and deductions that were made.

Q. You have never heard the officers in the Department speak of it?—A. I presume I may have heard them.

Q. Did you hear any officer in that Department say that the fines and deductions against Kittle were not as large as they ought to have been?—A. I do not recollect that I ever did.

Q. Did you ever talk with Postmaster-General Jewell about the fines and deductions in the Kittle contract?—A. I may have done so.

Q. Please remember if you did.—A. If I did it would be incidentally. I cannot say.

Q. It does not make any difference how it was; I wish to know what your conversation was in regard to that?—A. Well, I do not know that I remember. I have an indistinct recollection that I talked with him about these matters.

Q. Are you in the habit of conferring with Postmaster-General Jewell?—A. Well, very briefly; yes.

Q. About matters of this kind?—A. Very briefly; that is, I may in the aggregate talk with him five minutes a day in matters that happen to come up in my business.

Q. Is it not a little strange that you cannot remember and recall a single conversation or expression of opinion between you and him in regard to these matters; you say you talked to him about it?—A. I say that I may have talked with him about it.

Q. Do not you know that you did talk with him about it?—A. I do not know why I should talk with him about it in particular, because it is something that would not concern me or my duties at all.

Q. Have you not talked with others about it?—A. Probably very little. I have talked with Mr. Hopkins about the investigation; he would be apt to remember more about that than I; these matters do not come specifically within the line of my duties, and whatever I would have to say about them would be incidental.

Q. Then you cannot remember things that do not come within the specific line of your duties?—A. Well, I can sometimes.

Q. Have you any knowledge of the men who have composed a ring in the city of Washington, or outside of it, and who are interested in mail-contractors that you found out were fraudulently performing or non-performing their service?—A. The contracts that we believed to be at that time fraudulent were the Kittle contracts. We did not investigate any other contracts in Texas particularly at that time. In answer to a question of that kind, I do not know that it would be proper for me to state that men composed a ring, unless I had ascertained and demonstrated the fact.

Q. I would like you to state this, then: In the payments that were made to these contractors, were any payments made by the Post-Office Department to other men besides Kittle as the result of these contracts?—A. As the result of what contracts?

Q. Kittle's contracts. The money that was due Kittle for carrying mail, was that money paid out by the Department to any one else besides Kittle?—A. Not that I know of.

Q. You do not know of any orders or drafts being given in any one else's name for the pay that was due him?—A. No, sir; I do not. I have no idea how he was paid.

Q. There is a Mr. Peterson a large mail-contractor, is he not?—A. He was at one time.

Q. And was entitled to a large amount of money. Now, I want to know if you have any knowledge that that money was paid to other persons besides Peterson?—A. No, sir.

Q. Have you ever talked to any individual about this?—A. About Peterson's moneys?

Q. Yes, sir.—A. No, sir. I do not know anything about his moneys. Mr. Peterson is a man whose name is familiar to me, but about the payments to him I know nothing.

Q. I understand you to say, then, that you have no knowledge of any frauds committed by any one in the Post-Office Department in connection with any of these fraudulent contracts?—A. Well, that would be pretty sweeping. We worked very hard

last winter to break up frauds there, and a number of men that were believed to be very dishonest—

Q. What do you mean by "we" worked?—A. I mean I among others and the special agents.

Q. I would like to know what you found out.—A. We found out that a fraudulent stamp was used on a number of bids, and we found that a number of departmental clerks were engaged in these proceedings, and there might have been other frauds that we tried very hard to find out, but did not.

Q. By a fraudulent stamp you mean that that stamp was forged?—A. Yes, sir; forged.

Q. Did you get any knowledge in that investigation of the stamp being actually abstracted from the office?—A. The stamp was counterfeited.

Q. Did you find out how that counterfeit was made?—A. Yes, sir. One of the clerks in the Department furnished an impression of it to an engraver, and from that impression the engraver made the stamp.

Q. How did he furnish it?—A. I think that he got possession of it before the stamp was ever brought to the Post-Office Department, and had this impression made.

Q. In whose employ was that clerk?—A. He was in the employ of the Second Assistant Postmaster-General.

Q. Who was the Second Assistant Postmaster-General at that time?—A. General Routt. I think Mr. French was acting as second assistant. I do not recollect whether General Routt had gone to Colorado or not. I left about that time.

Q. Who was the officer in charge of that seal?—A. Mr. French.

Q. Does the same officer have charge of the bids?—A. Yes, sir.

Q. His duty, then, is to keep the seal and the bids?—A. Yes, sir.

Q. This clerk was in his office?—A. Yes, sir; and I recollect the messenger who was sent for the seal was instructed by one of the clerks to bring the original seal to him, and he had possession of it for some little time before it was taken up to the Post-Office Department—long enough to make a number of impressions from it.

Q. Who was this counterfeit seal used by; for whose benefit?—A. It was used by Kittle on his contracts; it was used by one Hines on his contracts, Hines bidding in two instances in his own name, and the other instances, so far as we know, in the name of a man named Iddings, who professed to hail from Decatur, Alabama; quite a number of bids in his name, with Jerome J. Hines as one of the guarantors.

Q. Was there any seal used by other contractors of that character?—A. We have tried very hard to discover.

Q. Have you discovered that there was any other?—A. No, sir, we have not. We thought a week ago that we had, and two or three experts pronounced that a certain stamp was fraudulent. We discovered a fraudulent stamp, perhaps, within ten days—another counterfeit in addition to this one which Kittle used, a very perfect counterfeit, too, and in looking over the bids of the Southwestern States, commencing with Texas, it was the impression of Mr. Hopkins, to whom this investigation was intrusted, and mine also, that this counterfeit stamp had been used on those bids, and one or two experts that we called in pronounced the same opinion, but there was this difference: There was no doubt about the genuine stamp being used on the bids which were stamped first, that is, the States of Missouri, Iowa, and several others; they were stamped with blue ink. We have not been able to find out the exact sequence in which the States were stamped. The first States were stamped with blue ribbon, blue ink; the last States with black ink. It was our impression that as soon as the change was made from the blue to the black, in some way this counterfeit stamp was substituted for the genuine, and the testimony of the man who made the original stamp tended to confirm that first impression; and Mr. Hopkins spent several days in examining the matter. He took these stamps to the Treasury and they examined them very carefully, and so far as we have gone into the investigation they have pronounced all those stamps genuine. They say that the difference between the black ink and the blue is sufficient to account for the difference of measurement which we went by. And then there is another point which would tend to establish the fact that they are genuine; that is, there are certain small indentations on the genuine stamp which would be produced by injuries to it. It is put in a press and struck a heavy blow, and occasionally it sustains some small injury. There might be a pin in one of these bids that would make a mark across it, and Mr. Hopkins tells me that in all these bids which we supposed to be improperly stamped there were those indentations.

Q. Who are the experts? Give their names.—A. Mr. Casalier, of the Treasury, is one who pronounced it genuine.

Q. Who pronounced it a forgery?—A. The first man who pronounced it so was Mr. Lewis. He made the counterfeit stamp for Kittle. Mr. Chambers, who made the genuine stamp, (that is, he has the contract, but it might have been some employé of his who made it,) first pronounced it counterfeit; but he afterward pronounced it genuine. They had some little doubt at the Treasury, but, after a minute examination, they pronounced them all genuine. Now, to show you how we reasoned about this

matter, this counterfeit was found in the possession of a woman, a servant at a sort of a cheap hotel here, and the account she gives of the stamp is this, and I supposed at first that her story was false: She says, at the time there was so much excitement about this matter, Channell was hidden at her hotel by Kittle, and there was no fire in his room, (it was along in May,) and he gave her a package of papers to burn up. This is the same man who had the original stamp brought to him before it was taken to the Department. In throwing the papers into the fire, she noticed something heavy, which dropped out, and which proved to be this counterfeit stamp. Channell was sick during the time those bids were opened, and of course the inference we drew immediately was that if this counterfeit stamp had been used in the press, then the story of the girl was a falsehood, because no combination powerful enough to get that stamp into the press in any way would ever trust such a vagabond with it. Now, if that counterfeit stamp was made for some purpose, if the girl tells the truth that she got the stamp through Channell, it is possible that it may be on two or three bids on some of those States. We are going through with them very thoroughly now, to see if we can find any impressions of that stamp. He was a very bad fellow, and, if he got it made, he got it with a view of selling the use of it to contractors, and it is possible that somebody may have bought the use of it. We are examining very thoroughly now to see if we can find any trace of it, but so far we have not. I mean, when I say "we," Mr. Hopkins, to whom this matter has been intrusted, with the aid of experts that he has called in. He has been, I believe, very thorough in it.

Q. Were not the bids themselves abstracted from the office for the benefit of this contractor Kittle?—A. We heard that they were. That is, we got it from the testimony of these accomplices. According to the testimony of some of them they were carried one night into the room of a clerk by the name of Van Vleck, in the Auditor's office, and examined improperly. According to the statement of another they were taken out by Channell and exhibited to contractors; taken out of the rooms where they should properly be kept.

Q. Whose rooms are those? Who had charge of them?—A. After the impression of this seal is put on them, which is supposed to authenticate them for the future, they are then distributed in the rooms of the different clerks having charge of the various States. Before they are stamped they should be in the safe that Mr. French had custody of at that time.

Q. I understand you they were abstracted before they were stamped?—A. They are kept in the safe until stamped. That is my understanding of the routine; it is nothing that I have anything to do with, but my understanding is that they are kept in a large safe until this seal is put on them, which is supposed to authenticate them for all coming time. After that they are distributed to the rooms of the various clerks; those belonging to Texas would go to the Texas clerk, those belonging to Arkansas to the Arkansas clerk, and so on. They are then put in cases somewhat like those, (the book-cases in the committee-room.)

Q. Do I understand, then, that this contractor abstracted these bids from the clerks to whom they had been distributed?—A. Yes, sir; either with or without their knowledge. There were some of those clerks we all know to have been corruptly connected with these transactions; but they might be abstracted from the desk of the clerk without any complicity on his part, perhaps, if they could get false keys.

Q. I would like to know whom you sent out for the purpose of working up the Peterson contract.—A. There was a man by the name of Morehouse, an ex-special agent, who was set down into Louisiana—

Q. What was the name of the messenger who delivered the stamp to the clerk?—A. Rothrock. He is an imbecile, almost. The poor fellow, I do not know that he had any knowledge of it. Channell told him to bring the stamp to him, and he did it. A man by the name of Morehouse was sent down there. He was a man that came—

Q. Have you any knowledge that he worked up any frauds in these contracts?—A. Well, the impression we formed of him was that he was pretty much of a humbug. He was a man that had formerly been employed as a special agent of the Post-Office Department. He was dismissed. He was one of the special agents discarded several years ago, and he came to me in, perhaps, May or June last, and wanted to be appointed for thirty days, on the representation that he could find out a great deal about frauds in the State of Louisiana, and I requested the Postmaster-General to commission him for thirty or sixty days, so that he might go and investigate them. He went down, and was absent about sixty days, and made a number of reports, which I turned over to the Second Assistant Postmaster-General. The Second Assistant examined them very closely, and made up his mind, I believe, that his reports were almost valueless; that this man could not be depended upon.

Q. What were his reports?—A. I cannot say. His reports show for themselves.

Q. Do you remember anything about them?—A. I do remember something about them.

Q. What do you remember

Mr. CANNON objected to the question, but withdrew the objection with the understanding that the witness was not asked to state the contents of the reports.

A. I remember the last report he made particularly, because he was just going out of the service. You will find those reports filed, I presume, in the office of the Second Assistant Postmaster-General. I took him, as he was going out of the service, to the Postmaster-General, and he read his last report, and the Postmaster-General gave me a very loud blowing up for ever bringing such a vagabond into the service. The point was this: There was no point at all in this report, but he was always going to do something. The impression that he intended to make was, "You put me in a while longer and I will find out something."

Q. Do I understand you to say that he did not find out anything?—A. Yes, sir; he made some specific charges against Peterson.

Q. What manner of charges were they?—A. There was one about going out of the way to supply an office in which Peterson was interested at some cost to the Government.

Q. That is what you call a side-office?—A. Yes, sir. Mr. Tyner took that matter up and investigated it, and explained to me afterward that the report of this man was false on that point.

Q. You were going on to tell about this side-office.—A. Well, his charge was that it cost the Government \$600 a year to supply that office for Peterson's benefit. That was the charge on that point; and Mr. Tyner explained to me afterward—that is, it was none of my concern, but he showed me that the man's statement was incorrect on that point.

Q. What was his statement about the side-office? What side-office was it—on what route?—A. It was on a route running across the country, starting on the Mississippi River. The terminal office is a sort of a boat-house; the name escapes me at this moment, but it is on that route from Alexandria to Shreveport. There is a main trunk-line running parallel with the Red River and close to the Red River.

Q. This detective that you speak of made a report that was not credited. Was any other agent sent out to work up those frauds?—A. Yes, sir. David B. Parker, a special agent, was sent out before Morehouse. It escaped my recollection, or I should have put it in that order. He was sent to New Orleans, I think, early in the spring of 1875; he may have been sent there in February; I could not say about that. Among other things, he was to investigate the whole service thoroughly. He did investigate Peterson's routes, one in particular that I remember, a route running from New Orleans north, up the river. It runs about two hundred miles, and I think the nominal terminus is Red River Landing.

Q. Did he find that all correct?—A. No, sir.

Q. What was the matter with that contract?—A. According to law and the regulations, Peterson ought to have had a boat to carry that mail, and we found that he was putting it aboard any boat that he could find to take it, and sometimes it was not carried at all. There is a tri-weekly mail running up there that was very well carried, indeed, and this was supposed to be a supplementary mail. The tri-weekly mail was carried from New Orleans to Vicksburgh, and this was supposed to run on the alternate days as far north as Red River Landing. You see, it would ostensibly make a daily communication with that mail-route across the country. According to Parker's reports there were no boats that run regularly on those alternate days, but Peterson was in the habit of hiring any casual boat to take the mail, at the convenience of those boats.

Q. What other contracts of Peterson did he investigate?—A. I think that was perhaps the only contract in Peterson's name.

Q. Well, contracts that he was known to be interested in?—A. I don't know that he investigated any other. We told him to go over this same route. He was instructed to go over the route to Alexandria and to Shreveport, and to investigate thoroughly the manner in which the service was performed; but when he got up to Red River Landing the whole country was under water, and he reported that he could not go there that time.

Q. Were the contracts annulled?—A. This contract that I speak of—my impression is that it was.

Q. How did you get that impression?—A. I don't know; that is my impression—that it was annulled at that time. This evidence came into my hands, and I turned it over to the Second Assistant Postmaster-General, who took action on it.

Q. Peterson, you say, had no boats?—A. No, sir.

Q. Has he not been a contractor for a long time on the river?—A. I believe he has.

Q. Has he contracts for which he never put in any bid? I notice in the book of contracts that Pearson is carrying the mail, and in the list of bidders that is published his name does not appear.—A. I think the name of Peterson is pretty much eliminated from our records; that is, it appears on the records, but I don't think we have any connection with him.

Q. I asked in regard to contracts that he had heretofore that expired 1st of July,

1875, for instance. I wish to ascertain what contracts on the Mississippi and other tributary rivers Peterson had, expiring, say, July 1, 1875.—A. There was this Peterson and a Bodine C. Peterson, a relative of his, or perhaps a figure-head; I don't know. I think that on a letting which occurred a number of years ago they had the contracts from Memphis—I may be mistaken about this, but I think they had two routes, one from Memphis down to Helena or some point near Helena, perhaps Red River Landing, and another from Red River Landing to Vicksburgh. I think Red River Landing is the dividing office there; if not, it would be Helena. If you have an old advertisement it would show.

Q. Take, for instance, route 8006, from Vicksburgh to New Orleans, 408 miles, twice a week and back in steamboats, &c., lowest bidder William Williams, July 7, 1871. Contract with B. H. Peterson, three times a week, \$37,000 per annum. Was that one of the contracts?—A. That is a matter away back in 1871.

Q. Yes, sir. When did that contract expire?—A. I think the contracts on the Mississippi River expired on the 30th June, 1875, and I think that temporary service was performed there for quite a while. Mr. Leathers and Mr. Tobin have been doing the work.

Q. You do not know anything about the price they are getting for doing the work?—A. I do not.

Q. I asked you a while ago if Peterson had not on the Mississippi River a large number of contracts.—A. There were a number in the name of Peterson.

Q. Was it not within the knowledge of the Department, from those investigations made by special agents sent out by you, that Peterson was neither the owner nor the master of the steamboat?—A. I think it was.

Q. Then I would ask you if the law or regulation of the Department does not require that the man to whom the contract was let, outside of the regular bidder, should be either master or owner of the steamboat?—A. The law is there to speak for itself.

Q. Is not that the general action of the Department?—A. My impression is that it is.

Q. Then I understand you to say that that investigation brought out the fact that he was not the owner or the master of the steamboat?—A. Mr. Parker's reports would be on file, and I presume that that statement is included among them, with reference to the performance of the service between New Orleans and Vicksburgh. You have the record there, the contract for the tri-weekly service between Vicksburgh and New Orleans, in the name of Peterson.

Q. Yes.—A. Well, the service was actually performed between Vicksburgh and New Orleans three times a week, by the steamboats, one of them commanded by Captain Leathers, a very fine steamboat, and another one by Captain Tobin, and our reports were that that service was performed according to contract.

Q. Do you know how that service was performed—they were not Peterson's steamboats?—A. No, sir; they were not Peterson's steamboats. The report of Parker was that this short route in the name of Peterson, from New Orleans north to Red River Landing, three times a week, was very improperly performed.

Q. You understand, then, that the contract was annulled on that route?—A. I think it was.

Q. Were there any fines and deductions made?—A. My vague impression is that he was not paid for it; that the contract was annulled, and that he was not paid that quarter; but my impression is very vague about that.

Q. I understand that this fact, that this contract had been let to Peterson, who was not the owner or master of the steamboat, was brought out fully, and brought to the attention of the Post-Office Department?—A. Yes, sir; the fact was brought out that he had no steamboat running between New Orleans and Red River Landing three times a week to carry that mail, and that the service was very improperly performed. He may have been interested in some steamboat. I cannot say about that.

Q. Don't you know that he also had a contract from Saint Louis to Memphis, and from Memphis up White River, routes carried by steamboat?—A. Yes, sir; I think he did. The records would show just what routes he did have.

Q. And you think, then, that no action was taken in regard to these other contracts with Peterson, but they expired July 1, 1875?—A. I think they expired July 1, 1875.

Q. You don't remember whether Parker made any reports about these other routes or not?—A. I do not think he did. His specific instructions were to go to New Orleans, and look into the service there, and then go up to Red River Landing and across the country to Shreveport; but it was under water at the time.

Q. Is Peterson a contractor now, or interested in any contract with the Department?—A. I do not know.

By Mr. AINSWORTH:

Q. Were there any parties suspected by you of being implicated in any effort to defraud the Government by fraudulent contracts, other than those mentioned; and, if so, who?—A. I do not know that it would be right for a man to mention suspicions of his where he is not able to prove it, because I might do men great injustice. Of

course, in our business, we may suspect innocent people. We try to get at the truth the best way we can, and if we fail it would not be right to mention any suspicions we have.

Mr. AINSWORTH. I shall insist upon an answer to the question, and perhaps follow it by asking what efforts were taken to ascertain whether the suspected parties were engaged in that fraudulent business.

Mr. MCMAHON asked the witness to furnish the committee with a list of straw-bidders.

The WITNESS. You had better apply for that to the Second Assistant Postmaster-General. It does not come at all within my province.

Mr. AINSWORTH insisted upon an answer to his question.

Mr. CANNON and Mr. STOWELL objected.

The WITNESS. I might do innocent parties the most grievous injustice. It is a part of our code to keep all our surmises to ourselves. We go into a post-office and there are four clerks there; we suspect that one of them is stealing; it is our business to find out that man and apprehend him. But if we fail, it would be a very improper thing to scatter our suspicions about. I know that I can say that we have labored conscientiously to run our department with absolute purity.

Mr. AINSWORTH. That is an answer that ought not to be taken down.

Mr. STOWELL. In addition to the objection of the witness there is another. If the Post-Office Department is honest in its efforts to discover these frauds, the bringing out of suspicions here would entirely put a stop to any proceedings they may be taking against the suspected parties.

After a brief discussion in regard to the admissibility of this question, the committee adjourned.

WASHINGTON, February 2, 1876.

JOHN A. SCUDDER sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Saint Louis.

Q. What is your business?—A. I am president of the Memphis and Saint Louis Packet Company.

Q. Do you know the character of the mail-service performed between Saint Louis and New Orleans?—A. No, sir; I know the character of the service particularly between Saint Louis and Vicksburgh, and I have familiarity with it from there to New Orleans.

Q. You represent a steamboat-line?—A. Yes, sir.

Q. Did that line have any mail-contracts between Saint Louis and Vicksburgh, prior to July 1, 1871?—A. Yes, sir.

Q. Can you state the terms upon which you carried the mail in those contracts?—A. No, sir; I cannot. I left home upon a very short notice, and, of course, when we lost a contract, that was the end of it. We never kept any record of even our bids.

Q. You carried the mail, then, on your own contract, up to July 1, 1871?—A. Yes, sir.

Q. Had you just one contract?—A. No, sir; we had a contract from Saint Louis to Memphis, and from White River to Vicksburgh, I think; I am not positive, but that is my impression.

Q. You cannot say what pay you received on those routes?—A. No, sir; I presume that is a matter of record.

Q. Was there any other steamboat doing mail-service on those routes?—A. No, sir; I think not. There may have been little short routes in there that I do not know anything of.

Q. Did you put in bids July 1, 1871, to carry the mails on the route you spoke of?—A. We did put in a bid to carry the mail from White River to Vicksburgh.

Q. That is route 7505 in this book. Do you remember your bid for carrying the mail?—A. I do not, sir.

Q. I see it is put down at \$7,000 in this book.—A. \$7,000, I think, is correct.

Q. You did not get the contract?—A. No, sir; it was not awarded to us under the bid.

Q. Was that a *bana-fide* bid by your company?—A. Yes, sir; of course. We never make anything else.

Q. Did the Postmaster-General, through his officers, make or offer to make contracts with you at the amount of your bid, at any time afterward?—A. We had no notice of any informality in the bid.

Q. Did you ever receive notification or offer from the Post-Office Department to make contracts with you at the amount of your bid?—A. Not to my knowledge, sir. I have no recollection of it.

Q. That is, neither the Postmaster-General nor any officer of the Department made any such offer to you?—A. No, sir.

Q. Would you have been willing to contract at those bids?—A. Certainly, sir.

Q. What action did you take about carrying the mail in July, 1871?—A. We learned—I don't think through the Department, I have no recollection now of learning anything from the Department whatever, not a word—but of course we learned indirectly, that we were not the successful bidder, that the contract was awarded to some one else. I gave instructions then to our steamboats to stop receiving the mail, to put it on shore wherever it was brought on board. That created so much disturbance among the people down there, who could not seem to understand the matter, that in a few weeks or a month, I don't remember the time exactly, Mr. Peterson came on to Saint Louis, and, although it was against our rules to contract with a subcontractor, we made a contract with Peterson to carry the mail at \$10,000 per annum.

Q. Do you remember what time you made the contract with Peterson?—A. I see by my books that it was in August, 1871. That was for carrying the mail from White River to Vicksburgh.

Q. You commenced carrying the mail for Peterson, at \$10,000 per annum, about the 1st of August, 1871; now, who carried the mail from the 1st of July to the 1st of August?—A. I don't know. I don't think it was carried at all. That is my impression.

Q. Was there any other steamboat-line other than yours?—A. There is no steamboat-line running regularly except ours. There are, of course, miscellaneous boats running all the time, and the service may have been performed on those boats. It may have been a week or two after we received the notice, and we may have carried them until we learned that we were the unsuccessful bidders. When we learned that we stopped carrying the mails. I don't know exactly when that was.

Q. What do you know of Dr. B. H. Peterson?—A. I have never seen the gentleman but twice; that was at that time and once since. I know nothing of him.

Q. Who did he give you to understand he was when he employed you to carry the mail?—A. He made no representations to me any more than that he was Mr. Peterson, a mail-contractor.

Q. Did he make any representations about there being anything peculiar about his contract?—A. No, sir.

Q. In the terms you made with him, was there anything said about fines and deductions?—A. We were to stand fines and deductions. They were to be deducted from our pay of \$10,000 per annum, and they were deducted.

Q. Did you carry the mail during that time of his contract running from that period to the 1st July, 1875?—A. Yes, sir.

Q. How were you paid?—A. The payments were made for the first two years pretty promptly; since that time they have not been made promptly. He is still in our debt for the service.

Q. Do you know what Peterson got for carrying the mails, what his contract was?—A. I do not.

Q. You have stated that he was still in your debt; please explain that to the committee.—A. I don't know how to explain it, unless that it is simply a refusal on his part to pay. I have written to him in every direction, but have never been able to get paid.

Q. Did he ever give you a check or draft?—A. Yes, sir; he gave me a check; but even outside of that he is indebted to the company.

Q. What became of the check?—A. It was protested, and is still unpaid.

Q. About how much is he indebted to you?—A. It is pretty difficult for me to tell, because I have no knowledge of the fines and deductions.

Q. Taking as the basis the fines you have already paid, how much?—A. I suppose he owes \$8,000 or \$10,000.

Q. Tell the committee how much fines and deductions you did pay during that time?—A. We figured it out the other day \$2,698.29. That was up to February 1, 1873. Since that time we have had no settlement with Mr. Peterson.

Q. You don't know whether any fines have been assessed since that time or have not been?—A. No, sir; but I know that they should be.

Q. Are you acquainted with the general character of the mail-service on the western rivers?—A. Yes, sir.

Q. Have you a sufficient knowledge of the prices that the mails have been carried at by steamboats on the Mississippi River, under contracts for the last few years, within the period that you have been talking about, to know the actual cost and the profit that ought to come to contractors for carrying the mail? And, if so, please state to the committee; state whether the price they have received has been proper, or whether they have been largely overpaid.—A. The price that those bids were made at was a very low price. There seems to be considerable inconsistency about these bids, even between the amount that is paid now under Mr. Jewell and those bids; for instance, for that same service now we are getting about \$17,000. At the close of the rebellion, on the Mississippi River, as you all know, there were but very few of those landing

made. For instance, in the mail-route between White River and Vicksburgh, probably there were not over eight or ten mail-landings at one time. Since that time they have been increasing every year, and the service has become, of course, more difficult to perform; and, consequently, it is worth more money to perform it.

Q. How often did you carry the mails between White River and Vicksburgh?—A. We carried them three times a week. I think if you look at the proposals you will find that they are made for twice a week, but we carried them three times a week. We charge nothing extra for the three times a week.

By Mr. AINSWORTH:

Q. Was your contract with Peterson to carry twice or three times a week?—A. It was to carry twice a week.

Q. Were you prevented at any time from carrying the mail regularly from ice or any other cause in the river?—A. Yes, sir; we were. I cannot answer that without giving the date, because it occurs every year, more or less, except this one; this has been an exception.

Q. Were these fines and deductions made for that reason, to cover those failures?—A. This \$2,698 was.

Q. Have you any idea whether the amount that is paid there was sufficient to cover the failure to carry the mails during the time, up to January, 1873?—A. Yes, sir.

Q. Have you any knowledge of whether it has been the habit of contractors on the Mississippi carrying two different mails and making one common carrier or steamboat carry both mails?—A. I have heard of such things, but we have nothing of the kind on our route.

Q. Do you know anything of the kind on other routes?—A. I could not state that positively. I only know that from hearsay.

Q. Did you ever hear any contractors state so?—A. No, sir; I have not.

Q. State how you got your knowledge.—A. I simply got my knowledge in a general way. I could not state how, or where it came from.

Q. Can you tell on what routes it was?—A. No, sir.

Q. On what part of the river or who owned the steamboats?—A. My impression is that it was on the route from Memphis to White River; that there are mails there that might be carried upon one boat. It is not the case now, but I think it was at that time. I don't state that positively, though; it is only my impression.

Q. State whether the rates that you have understood were paid for transporting the mails to Peterson were not exorbitant?—A. If you will state the amount I can tell better.

Q. Did you consider the \$10,000 you got from Peterson sufficient?—A. I did at the time. As I stated before, there is an inconsistency in this thing, which I have tried to explain to you, in regard to the landings; you understand that.

Q. How long were you a subcontractor?—A. I see by my books that it was from June 30, 1871, until June 30, 1875.

Q. Were you ever offered any inducements by Mr. Peterson, or others, not to bid?—A. No, sir; never.

Q. And I understand you to say that after you put in your bid, you received no notification from the Department?—A. We never did, sir.

Q. Did you bid on this same service?—A. Yes, sir; we did last summer.

Q. What was your bid?—A. That I disremember, too. The bids are a matter of record. They were, however, deemed too high, all of them, and thrown out, and a contract made by us afterward with the Department.

By Mr. CANNON:

Q. At a lower rate?—A. Yes, sir; something less.

By the CHAIRMAN:

Q. Were the contracts made outside of any regular advertisement?—A. Yes, sir. They were made under an advertisement, you might say. As I said, the bids we put in were thrown out, being deemed too high, and then we made a contract with the Postmaster-General at a less price.

By Mr. CANNON:

Q. Was that a temporary or permanent contract?—A. A permanent contract for three years. The bids were accepted, but the bonds made less.

By the CHAIRMAN:

Q. Were you in Washington yourself to see to this?—A. No, sir.

Q. Who arranged these contracts for you?—A. Capt. Bart. Abell, the last time.

Q. Did you pay any attorney's fees to secure it?—A. Nothing at all, sir; not a cent in any way, shape, or form, except what I paid to Capt. Bart. Abell.

Q. You paid no portion of your mail-contract compensation?—A. No, sir. I never have done so in any way or shape.

Q. You say you never met this man Peterson but twice?—A. Twice, I think; possibly three times, but I think only twice.

Q. Do you know whether he has any contracts now or not?—A. I do not.

Q. Do you know anything about his responsibility outside of what you have stated, that he did not pay?—A. No, sir; that is all.

Q. Do you know any reason why he did not pay you?—A. No, sir.

Q. Has he given you any reason?—A. Not at all, sir; I was not able to get an answer out of him at all.

By Mr. AINSWORTH:

Q. How did your service from February 1, 1873, to June 30, 1875, compare in efficiency with that prior to that time?—A. I do not think it was performed as well afterward, for the reason that we had an overflow there. Those overflows always interfere very materially with the mail-service. With that exception, it was performed as well. The same boats were running.

Q. What, in your opinion, should be the amount in fines and deductions for the time from February 1, 1873, to June 30, 1875?—A. That is impossible for me to form much idea about.

Q. Knowing the manner of service and the causes for fines and deductions, can you make an estimate? This last period was from July 1, 1871, until January, 1873, about eighteen months; and the other period was about two and a half years.—A. Then I should suppose it was larger than that.

Q. Has any complaint been made either by the Department or Mr. Peterson as to the manner in which you performed the service subsequent to February 1, 1873?—A. We never heard of them. They would come to Peterson from the Department, he being the contractor; they would not come to us.

Q. At the time the contract for carrying the mail was let to Peterson, was he either the master or owner of a steamboat, or interested in any line of boats running from Vicksburgh to White River?—A. No, sir; not to my knowledge.

By Mr. WADDELL:

Q. Do you know that he was not the owner or part owner?—A. No, sir; I cannot state that. A man might own an interest in a steamboat without my knowledge; but I have no idea that he was or I should have known it.

The CHAIRMAN. Refer us to the book and to the person in whose name it appears to be let, not Peterson.

The WITNESS. In this book, on page 328, Executive Document, route No. 7505, 1871; in my opinion, there is not a bona-fide bidder there except the Memphis and Saint Louis Company.

By the CHAIRMAN:

Q. You have another contract there; you may state about that.—A. On the same page, route 7504, there is not a bona-fide bidder to my knowledge, with the exception of the Memphis and Saint Louis Packet Company, and that of A. J. White, (who may perform the service, he has a boat or two there,) and the Memphis and Vicksburgh Packet Company. This is the letting of 1871. I am even very doubtful about these two, but I name them because it is possible they might be bona fide. The others I have never heard of in the steamboat-line at all. In the bid for route 7504 I would consider the Memphis and Saint Louis Packet Company the lowest bidder, as their bid embraces the furnishing of route-agents and the others did not, I suppose, as it does not say so here. There was but very little service upon those routes at that time.

By Mr. MCMAHON:

Q. State to the committee whether your bid in that matter was a bona-fide bid?—A. We never made anything else in our lives, sir.

Q. Was any application ever made to you for any temporary service or outside service on that route 7504?—A. Not that I have any recollection of.

By Mr. CANNON:

Q. Was the advertisement for route-agent service, or was that a matter that you put in?—A. I do not think the advertisement called for route-agent service. That is my impression.

Mr. CANNON moved to postpone the further examination of the witness until to-morrow, or until the Post-Office Department can produce before the committee all the records relating to the letting of the contracts on the two mail-routes in question; so that he (Mr. Cannon) might have an opportunity of examining them and framing questions upon them.

Mr. MILLER moved an amendment, that the chairman instruct the clerk to have the records produced before the committee to-morrow, (February 3.)

Mr. CANNON accepted the amendment; and the motion as amended was lost, ayes 3, noes 7.

Mr. McMAHON moved that the witness be permitted to return home, with the understanding on the part of the committee that if, after Mr. Cannon shall have examined the papers, the committee deem it necessary, upon his showing, to examine the witness further, he shall be recalled. Agreed to.

A d j o u r n e d .

WASHINGTON, D. C., *February 4, 1876.*

P. H. WOODWARD recalled and further examined.

The WITNESS. Before you proceed with the examination, gentlemen, I would like to correct my former testimony in one particular. I think I was asked whether I recollected or knew of any other frauds connected with the letting of contracts last spring, and the frauds in connection with Mr. Kittle were all that occurred to my mind when I answered. I now recall two other instances; that is, one other instance of fraud, and one where I think there was fraud. There were some bids put in by a man by the name of Nichols, of Iowa, that were found to be fraudulent in this, that the name of the postmaster at, I think, Osage, Iowa, was forged to a portion of them. I took the bids myself to the officers of the Bank of the Republic, and they pronounced that if certain signatures of his were genuine then these were forged. We sent an officer out there, and the postmaster admitted, at first, that they were forged, but afterward tried to evade it. There were two other bids that never were put in which there was some question about. I believe they were produced by Channell (one of the clerks who was engaged in those frauds on the Department, and who was discharged) about the close of February. They were bids made by a man of the name of Chichester, of Arkansas. The certified checks were with them. Channell's statement in regard to the case was that these bids were given to him by Chichester, and that Chichester had offered him, I think, \$50 apiece if he would slip them in, but that, as he was working in the interest of Kittle, he would not go back on his friend, and so he declined to put them in. My opinion at the time was that the statement of Channell, although he was a great rascal and told a great many lies, was correct. The Second Assistant Postmaster-General attacked Chichester with considerable fury on the subject, and he denied the whole thing; he said that these bids went in at the proper time, and that he could not account for their being in the hands of this fellow Channell—that they went in before the last day for receiving bids; that he put them in properly; that if they got into the hands of Channell, they got there improperly. It was a question of veracity between Channell and Chichester. Mr. Tyner, the Second Assistant, brought Chichester to my room. After Mr. Tyner had had his talk with him, he came to the conclusion that Chichester told the truth, but I maintained the contrary opinion; though we were both judging by the physiognomy, of the general character of men; there was no other evidence, as I recollect, except their own statements. With regard to those two bids, I think about that Mr. Kittle had some personal knowledge of them, as well as Channell—knowledge aside from what Channell told him; it may be that they were in his hands; though I based my opinion upon the statement of both men. So far as I now recollect, there were no other frauds that were discovered. Perhaps, if I thought this matter over longer, others would suggest themselves to me, but I do not recall any other case now.

By Mr. AINSWORTH:

Q. The question which I asked at the last meeting, and which was not answered, was, Were there any other parties suspected by you of being implicated of attempts to defraud the Government by fraudulent contracts? If so, who, and what steps were taken by the Department to investigate the same?

Mr. CANNON objected to the question, in so far as it called for a disclosure of any suspicions not based upon evidence, but did not object, he said, to anything going to show that any fraud had been unearthed, or that there was reason to suspect any particular party of that Department, or that any officer thereof had been negligent of his duty in the matter. He moved to have the question modified so as to read, "Have you any knowledge touching any fraudulent bids, or any conspiracies to defraud the Post-Office Department in any way, manner, or form that you have not testified to? If so, please state them."

The motion was rejected.

The WITNESS. I understand, then, that I have no alternative but to answer the question, so that if anybody gets after me with a horse-pistol I cannot help it. Of course there is nothing about the matter that I wish to conceal, but on general principles it seems to me exceedingly improper to answer the question, that is all; it is only on principle that I object to it. I shall have to explain, briefly, how we got at the thing, in the first place. There were surmises in the Department, I cannot say how they arose, that there might be a counterfeit stamp extant. Of course, you understand the way in which it could be used to defraud other people. The last day for receiving bids was,

I think, the 30th of January, and any bids received after that were regarded as invalid, and so treated. The bids were opened and the seal put upon them, and they were then distributed among the clerks having charge of the various States to which the bids belonged. Now, by means of collusion with dishonest clerks inside of the Department, a contractor, who had one of these clerks in his fraudulent employment, could find out the lowest bids of particular routes; indeed, there is no telling what such a clerk might do; he might steal bona-fide bids or destroy them; he might do anything. But a contractor could get hold of the lowest bids on particular routes, and then could interpolate afterward a fraudulent bid of his own below the lowest figure of the genuine bids, and that fraudulent bid would seem to be genuine, having this imprint upon it. We had an idea—how we got it I cannot say now—that there might be a counterfeit stamp out, and Mr. Kittle was the man that was first suspected. I think the first lot of his bids was taken up to the Treasury experts by Mr. Tyner, but they failed to detect any counterfeit. The morning after that, I think, I had an engraver from Baltimore in my office, and we brought out Kittle's bids again, and he discovered seven or eight of them with this counterfeit stamp. Our presumption, of course, was that if one of them was fraudulently stamped they all were, but it seems that some bids that he put in were really below the other genuine bids, so far as he knew, (and I presume he had very correct information,) and there were only six or seven that bore this counterfeit imprint; and the reason they were not discovered at first probably was that none of the counterfeits happened to be taken to the Treasury, because the counterfeit was quite perceptible when we saw it. On the same day, I think, we found the engraver who had made this counterfeit stamp. Of course we didn't know for whose use it was made, and the next step in the proceeding was this: We observed that the bids in the name of one Iddings, for whom J. J. Hines was chief guarantor—and two of the bids were in Hines's own name—we observed that these bids ran very little, about a dollar or two, below the bids next above them. There were about twenty of them; our surmise was that very likely a counterfeit stamp might have been used upon them, and in that connection of the accepted bids the Iddings or Hines were produced.

By the CHAIRMAN:

Q. I understand that Hines was one of the men who were prosecuted last summer and that Kittle was one of the witnesses against him.—A. Yes, sir. You will understand that Hines and Kittle were in copartnership; they had an agreement between them; Kittle turned State's evidence—that is, he told all the facts on his associates; he told everything that he knew, I presume. We found that these bids of Iddings and Hines were stamped with this counterfeit stamp. I do not recollect exactly the chronology of these matters, but about the same time we found that other case, the Nichols bids. I think his bids were for service in the Southwest, but he lives at Osage, Iowa. About the same time there was this difference of opinion between Mr. Tyner and myself with reference to the bids of Chichester. We did not know anything more than I have stated, but we had an idea that men who were professional contractors, and who would be in collusion with dishonest clerks in the Post-Office Department, might be guilty of any sort of an attempt of that kind to wrong each other and to wrong the public. However, these were all the discoveries we ever made, and, so far as I know, no fact was ever brought to light which would justify any suspicion against anybody else. I might state further, in answer to your question, that there were some bids put in in the name of a clerk in the Interior Department, as I understand, a man that I never saw to my knowledge; his name was Coffin. A number of men—Logan H. Roots, of Arkansas, and a man named Kinzey—are supposed to be interested in these bids. There may be four or five men that are interested in them. Some of those bids were certified to by a postmaster at Falls Church village, over here in Virginia. These men were beneficiaries in the awards of many of those contracts. By that I mean that they receive a great many of these contracts—this combination in which several of these men are interested, the Texas Stage Company, as it is called. The fact that frauds were going on, the fact that we detected some, the fact of the general belief on the part of the men who had detected that they were engaged in a fight with men who were using the same weapons as themselves, although they could not develop the exact method in which the others were working, for, of course, they were as much in the dark as we were—all this was enough to make us endeavor to find out, so far as we could, whether any other frauds had been committed; but we never got hold of the first clew which would lead up to these men. There was one Sunday when Kittle or Channell or both testified that they went together to the Texas room in the Post-Office Department to find the Texas bids, and all the bids were gone.

By the CHAIRMAN:

Q. Who reported that?—A. Kittle or Channell, whichever one of them went there. They went in to put in bids, and they reported that the bids were out of the room at the time. Of course, if that was so, it was the work of some dishonest clerk; it must have been done in the interest of contractors if it was done at all.

Q. Who was the clerk in the Texas room at that time, where these bids ought to have been?—A. The clerk who had charge of the State of Texas in the contract-office at that time was Mr. Floyd; but I do not know that he was in custody of the room at that time, for the clerks were mixed up so as to put them away from their desks. He was dismissed for frauds. I do not think, however, that he had charge of that room at that time, and I do not think that we suspected the party who had. If they got in they probably got in a back window, or there were several keys forged to the doors of those rooms. I know that they tried to hire Rothrock, a messenger there, to carry a key to one of those rooms to some party; the exact circumstance has passed from my mind, but I bring it up to show that there have been false keys used in this case. The presumption raised in our minds at once would be, that if parties would try to get hold of those bids for fraudulent purposes it would be parties who would be very materially benefited in the lettings. Now, the parties that I have referred to received a good many contracts—

Q. Who do you say received the information from those two men that they had gone to the Texas room?—A. They told me. It was either one or both of them who made the statement. It must have been Channell, I think, because Kittle would not have access to the Department on Sunday. Ten days ago we thought we had got another clue in this matter. I believe I explained that the other night—the discovery of a fraudulent stamp; but we have not found that stamp on a single one of those bids. They are being examined now, but so far as getting hold of any evidence implicating those men, we have not a particle. I did not want to say that, because if there is any I hope we shall yet discover it.

By Mr. AINSWORTH:

Q. What I wanted to know was, what efforts you made to determine whether there was any fraud committed?—A. That is why I went into this explanation. You see why we suspected the Hines case; it was because the bids fell just below the next higher bids, and in that case, if the bids of this combination had run as evenly as the Hines bids did it would have raised a strong presumption against them; but according to my recollection that was not the case. There was a great deal more discrepancy between them and the bids next above them, so that the suspicion was broken down.

Q. Did you do anything to ascertain whether the Hines bids were genuine or not?—A. Yes; and we found that they were fraudulent. They bore the counterfeit seal. We found also a portion of the Kittle bids bore a fraudulent impression. If Kittle had kept out of this thing he would have been well off; he would have got a good many contracts by his regular bids; but his fraudulent bids vitiated the whole of them, and it is my impression that all his bids were thrown out for that reason. I have a very strong impression also that all the Nichols bids that had this fraudulent certificate of the postmaster at Osage, Iowa, were thrown out. Whether his other bids were thrown out or not, I cannot say; but I have no doubt they were. If they were not, it would be, I presume, because the Department felt that they had not law for doing it. But I cannot say whether they were thrown out or not. The records will show.

Q. Was there any prosecution or proceedings instituted against Nichols?—A. I think not.

Q. In his case there was no lack of proof?—A. The proof was not of so damaging a character as it was in the other case. We had a very clear case against Hines. The courts here and the juries of this District did not seem to help us very much, and it seemed a thankless piece of business to follow men with prosecutions which we felt that we could not make good. The feeling was that it was not—

Q. I understand you to say that the proof was conclusive that the signature of the postmaster at Osage had been forged?—A. The postmaster admitted it at first, but afterward denied it. I do not suppose there is an expert in the world who would not have said that the signatures which purported to be his were forged. He first admitted it, then denied, and in a third instance represented that Nichols was authorized to sign his name, which, of course, was an exceedingly irregular thing, even if it were so. The facts are all there, if anybody wants to prosecute upon them, but my opinion at the time was, and is still, that it would be utterly useless to try to prosecute it in this District, or perhaps anywhere else.

Q. Where is this man Nichols now?—A. I don't know. He is an old contractor and has been in Washington. I don't know the man by sight. There is another thing about this Nichols man; he was more or less connected with Hines; that is, Hines gave an order to Channell one night for \$50 and Channell took it to Nichols, and Nichols gave him the money for it.

Q. Is your only duty to appoint detectives?—A. I do not appoint them at all. I don't have anything to do with their appointment.

Q. To detail them?—A. No. There is no end to our work except the limit of our time and ability to do it. The primary part of our work, that which overtops everything else, is catching depredators on the mails. You see how much work that involves; in the first place, locating your thieves, and then putting the right men to

catch them; and in my management of the business, I look upon everything outside of that as very subordinate to it; that is, it takes so much abler men to do that than anything else; although, with one or two exceptions, our best detectives in that business are the ablest in every branch of the work.

Q. That is not in answer to the question. Is it not your duty, if you suspect a contract to be fraudulent, to put on foot investigations regarding it, or do you wait until the evidence is furnished without any effort on your part?—A. I am not supposed to know anything about fraudulent contracts. If there were good grounds of suspicion, they might come to us originally, but they would be more likely to go to the office of the Second Assistant Postmaster-General, and he would request that an agent should be sent to investigate them; and I should probably designate the man.

Q. You made no effort to ascertain any frauds, excepting such as were substantially known to you before the commencement of your investigation?—A. I don't know that I understand that question. If you refer to my personal, individual efforts, as I am stationed here in Washington, the only cases which I would have any immediate connection with would be those that would be convenient here, right in or around the Department, and where, to a greater or less degree, I would be co-operating with other men who were doing the running, and were, perhaps, more actively engaged than myself. For instance, in these investigations that I spoke of, there were one or two agents that rendered a great deal of aid, and perhaps took the principal part of the work.

Q. Do you know of any effort to investigate the contracts of any party who was suspected, unless the evidence was such as to force the investigation?—A. Your question is, whether we hunt about for fraudulent contracts?

Q. Yes; whether *the Department* does.—A. We give general instructions to our special agents to find out everything they can in regard to that service and report it to us; that is, frauds on the part of contractors everywhere. That is a part of their general duty.

By the CHAIRMAN:

Q. And they report to you?—A. They all report to me, throughout the country. We have a few in Chicago and Saint Louis. They would make their reports either to me to be handed over to Mr. Tyner, the Second Assistant, or they would make them directly to him.

By Mr. AINSWORTH:

Q. Do you ever make investigations of those reports when they are made?—A. I turn them over to Mr. Tyner, and if there is any further investigation to be made, he—

Q. Before turning them over do you investigate those reports?—A. No, sir; as he has the final decision in the case, I never regard it as incumbent on me even to read the reports.

Q. Do you read them?—A. Sometimes I do and sometimes I do not.

Q. Mr. Hopkins's report, was that made to you?—A. That was made to me, I think. Perhaps as he was not the first man that was sent out, it was thought to be safer to send his report to me than to the Second Assistant; and yet that report was stolen.

Q. Do you remember looking at that report?—A. That was stolen, you remember, before it got into my hands, and we never knew where it was stolen, whether in Texas, on the road, or in Washington; but my belief was that it was stolen by some dishonest clerk here.

Q. And it was impossible to investigate that?—A. Well, if a letter starts from Texas and comes to Washington, it is a long road to follow out a single letter. You will remember that one individual letter does not give us as good a clue as if there were more. It is by tracing several frauds to some one point that we find out the thieves.

Q. So there is no report from Hopkins now in the Department?—A. He undertook to supplement that afterward, but whether he did it verbally or in writing I could not say.

Q. You knew nothing about his report?—A. Nothing, except from his conversation. This report that was lost was valuable, as containing evidence from postmasters on the line, their certificates, or their oaths; and when he came back, of course it put him on the record in an unpleasant light. We believed him to be an honest, truthful man, but it put him in a very bad position on the record, because he made statements that certain service was fraudulent, and the statements of these postmasters would show that it was proper.

Q. And he was not able to cite you to any persons from whom he had received those lost certificates?—A. Yes, sir; they were received from the postmasters along the line.

By the CHAIRMAN:

Q. Didn't I understand you to say that the postmaster at the San Antonio end of that route had either notified the Department of the fraud or corroborated Hopkins's statement?—A. I think he has written letters to the effect that the service was improperly performed. The postmaster at the other end, Corpus Christi, was certifying that everything was lovely. We found two letters from the postmaster at Corpus

Christi making contradictory statements; and then, in explanation, he said that one time he was writing officially, and that in the other instance he was writing personally; that officially he told the truth, and that personally he lied.

By Mr. AINSWORTH :

Q. Has the Department made any effort to supply that lost testimony?—A. Whether it has or not I could not say; I am not aware of any.

Q. You have not detailed any person to attempt to supply it?—A. No, sir; not that I recollect of. It was our purpose to send Mr. Hopkins back, but other work kept crowding, and we took his word for the truth of his statements.

Q. What was done with Moorhouse's report when received?—A. I turned it over to Mr. Tyner.

Q. Is it there now?—A. I presume it is.

Q. Did the Government take any action to ascertain whether that was a correct report or not?—A. I presume that Mr. Tyner did. In fact, he stated to me that one of Mr. Moorhouse's reports, in some vital particular, was false.

Q. Do you know whether investigations were made?—A. What do you mean—investigations *ad infinitum*?—"flea on flea"—is that the theory?

Q. No, sir. I think you said, the other day, Mr. Tyner stated that Moorhouse's report looked scaly, and he did not propose to pay any attention to it. Now, I want to know whether he made any effort to ascertain whether it was really correct or not.—A. The source from which he derived his information I do not know.

Q. Do you know that he had any information contradicting any of the charges made by Mr. Moorhouse?—A. I cannot answer for Mr. Tyner's information.

Q. Do you know of any such information being in his office?—A. I have no particular knowledge of what is in his office.

Q. I don't ask that. Do you know of any particular information or document being in his office, or in the Post-Office Department, in anywise contradicting Moorhouse's report?—A. All that I know that is in Mr. Tyner's office is the brief statement that he made to me in regard to one vital point in the report. He said it was incorrect, and that he had the evidence there to show it. What the evidence was I do not know.

Q. I would like you to answer the question I have asked.—A. I have answered it most explicitly, as I understand it: that he made this statement to me, and that I do not know what his statement was based upon.

Q. Then I would like to know whether you know of any information being on file in the Department which contradicts Hopkins?—A. Well, I say that Mr. Tyner made this verbal statement to me. I have no knowledge of the information he based his statement upon.

Q. Did he make any application to you to detail anybody to see whether Moorhouse's reports were true or not?—A. It would be utterly impossible, with the multiplicity of work we had, to keep sending one man on the heels of another. We had sent two men already.

Mr. AINSWORTH. I must insist on an answer without statements of this kind.

The WITNESS. Well, a categorical answer to your question would give an entirely false conception of the manner in which we do our work.

Mr. AINSWORTH. You can answer the question, then, and made explanations afterward.

(Question repeated.)

A. No, sir; he did not. Now, I make the explanation that we have vastly more work than we can do, and therefore we cannot send agents one after another to remote districts to follow on the trail of such a man as Moorhouse is.

By Mr. STOWELL:

Q. Is Mr. Moorhouse one of your special agents?—A. He was a special agent several years ago, and he was discharged.

By Mr. McMAHON:

Q. Let me call your attention to an instance where the Department acted otherwise. Were you not sent to Dayton to investigate the postmaster there, immediately after Mr. Petherbridge made a report?—A. I was.

Q. Within a month?—A. Yes, sir; but ordinarily that would not happen. That was a case where there was a good deal of general interest manifested, and the investigation was re-opened. Your Dayton case was a very extraordinary case.

Q. Was it as important as the matter of Peterson's contract?—A. I don't think it was any more so.

Q. The Dayton matter was not a very large matter, was it?—A. No, sir; not very.

Q. It did not involve so much money to the Government as the Peterson matter did?—A. The point in this case was one involving some \$600 a year. It was in regard to the supplying of a post-office, which Mr. Moorhouse represented was for the exclusive individual benefit of Peterson.

Q. That was all there was in Moorhouse's report, was it?—A. No; I cannot tell

what there was in the report. The reports are there, and will show for themselves. That was the particular point that Mr. Tyner brought up.

Q. Were there no other charges against Peterson in that report but one involving \$600 a year?—A. I don't know of any charges being made there in particular about Peterson's routes. As I told you, we found that one of those routes was managed very improperly. Peterson had more or less to do with the steamboat-line—

Q. You misunderstand the question now. I am confining it to the report that was made by Morehouse and Parker against Peterson. I am not asking of what you subsequently discovered. Were there not other charges made in the Morehouse report against Peterson?—A. Morehouse's reports were rambling and inconsequential, and he was always just going to find out something. He had been a special agent of the Post-Office Department before, and had been removed, and he was very anxious to get back. I, personally, was very anxious to get hold of the facts with regard to the Peterson routes. Morehouse had been there, and he said he knew all about them, and could get at all the facts. At my solicitation the Postmaster-General, without seeing him, appointed him, but when he came back his reports were rambling, and his whole aim seemed to be to get back into the service by talking about what he could do if he were continued.

Q. If you were so anxious to get at the facts with regard to the Peterson routes, and Morehouse's reports were so entirely unsatisfactory, why did not you detail somebody else to investigate them?—A. I had already sent two men there. One of the best men we had had spent a month there in the winter, and Morehouse was about two months there, and by that time Peterson's contracts had all expired, and Peterson had become defunct, so far as we were concerned; his pay was cut off—a great deal of it. I don't remember how much, but I remember his attorney was whining around the Department about it. When Morehouse got back it was the 1st of August, and Peterson's contracts had expired on the 1st of July.

Q. Who was that other agent?—A. Mr. Parker. He went there in the winter. He was ordered to go over there, but you remember I told you that he was unable to do so on account of the country being flooded.

Q. The first man did not find anything on account of the high water and the second man's report was rambling?—A. Yes; Mr. Parker did find out that Peterson's route from New Orleans up to Red River Landing, that tri-weekly route, was a sham, and it was on his discovery that the route was broken up, if it was broken up, as I presume it was.

By Mr. WADDELL:

Q. Do you know a man named Sickles, or is there a man of that name in the Department?—A. There is such a man there now.

Q. Do you know Mr. Holbrook?—A. Yes, sir.

Q. Did not Sickles go up to you and tell you all about the Peterson frauds?—A. I don't remember anything about Sickles coming to me. We got information from so many sources, partly fact and partly surmise, that I can't remember. He may have done so.

Q. You do not deny that he did so?—A. He may have done so.

Q. Didn't you tell Mr. Holbrook that you had evidence enough to sink Peterson and his contracts to perdition—more than he, Holbrook, ever dreamed of?—A. I don't know whether I ever told him so or not. I have a very poor opinion of Peterson and his contracts.

Q. Didn't you tell Holbrook that you would have Peterson's contracts annulled in twenty-four hours?—A. It would be a very extraordinary speech to make, for I do not usually talk in that way.

Q. Or that they would be annulled within twenty-four hours?—A. I do not remember that I said so, and, on general principles, I should say I never did, for I am not in the habit of making threats of that sort.

Q. Was not Holbrook subject to your order as a special agent?—A. To a certain extent.

Q. Didn't you examine the records of the Post-Office Department to ascertain what frauds Peterson had committed?—A. I examined the records to find out the history of Peterson's connection with the Post-Office Department.

Q. Did you find any service that he had been paid for and had not performed?—A. Yes, sir. This route on the Mississippi River, from New Orleans to Red River Landing. That is, he performed it very improperly, so that it was tantamount to no performance at all. He had a contract for carrying the mail three times a week as far as Red River Landing, to supplement the regular mail, but the evidence was that there was no regular boat to carry it; that he would give \$5 to any casual boat for carrying the mail; that the mail was very light anyhow, and that sometimes it would reach there behind the regular packets, and that for four or five weeks there was no return mail from Red River Landing at all. That appeared by Mr. Parker's reports.

By Mr. McMAHON:

Q. Was not that an increased mail-service, from three times a week to a daily mail?—A. No, sir: this was a new service when he took it.

By Mr. WADDELL:

Q. He was paid for that contract which you say he did not perform?—A. I think not, sir. He may have been paid for it before the fact was discovered, but I don't think he ever received any pay after that fact was discovered.

Q. Mr. Hopkins made up a statement for you of Peterson's fines and deductions, didn't he?—A. I think not. He was not on Peterson's route.

Q. Then Hopkins never showed you any statement of fines and deductions against Peterson?—A. Hopkins was on an entirely different route. He was sent to Texas, and this was on the Mississippi River.

Q. I am asking about what Hopkins did here among the records.—A. Mr. Hopkins has made a great many investigations in the Department records in regard to those contracts in the Southwest.

Q. What I want to know is whether he did not make up here, and show you, a statement of fines and deductions against Peterson?—A. I have no recollection of that whatever. He may have done so, but I do not recollect it, and my belief is that he never has investigated Peterson's routes at all.

Q. Do you know whether any fines and deductions were entered up against Peterson at all?—A. I didn't have anything to do with fines and deductions, but my impression is that after the discovery of this fraud, not only was the contract annulled, but that the pay that would have been already due him on the quarter never was allowed. He was receiving about \$5,000 a year on that contract.

Q. Were any fines against Peterson remitted?—A. I don't know anything about that. It does not come within my province.

Q. Do you remember whether you opposed the remission of his fines?—A. I never opposed the remission of any fine of Peterson. I never have done anything to screen Mr. Peterson from any consequences of his own acts.

Q. You never had charge of the Peterson papers at all?—A. I looked through the records to find the history of Peterson's routes on the Mississippi.

Q. Did you have those papers in your possession some time?—A. They are large books. I have gone through the books and examined them.

Q. Did you ever have them in your possession outside of the post-office building?—A. I have had papers in regard to different routes in my possession; I cannot say whether I have or have not had those papers.

Q. Did you ever take those papers and get into a carriage with the Postmaster-General with them, and go away from the Post-Office Department?—A. I have no recollection of having done anything of the kind, now; but possibly I may have done so.

Q. I will specify about the time—about the 1st of January, 1875.—A. I don't recollect it. The information I got was on the books or records of the Post-Office Department, and there were some cases where I looked into the history of the routes to see if I could find any recommendations or reasons why certain things were done; now, whether I did that in regard to the Peterson routes or not I can't say; I do not see any particular reason why I should, because the facts are all drawn off on the record-books, and there would be no particular occasion for it.

Q. You say that you have no recollection of having had those papers outside of the Department, or having got into a carriage with the Postmaster-General and taken them off?—A. I do not think I ever got into a carriage with the Postmaster-General, but there were certain batches of papers that I took to my room to examine them at night, having no time during the day. I took them to my room and brought them back the following day.

Q. Did you ever carry them anywhere else?—A. No, sir; I do not recollect that I did. The only reason I took them out at all was because the days were not long enough, and in the evening I was quiet, and could go over them carefully.

Q. Then, I understand you to say that you do not remember anything about the fines and deductions against Peterson, if there were any, and that you never opposed the remission of them, and that, in fact, you had nothing to do with them?—A. I had nothing to do with the fines and deductions, and I certainly never opposed the remission of fines and deductions of Peterson. Anything that I might know about fines and deductions would be something that came to me casually and incidentally.

Q. You have no recollection of having said to Mr. Holbrook that you had evidence enough to sink Peterson and his contracts?—A. I know I had a bad opinion of Peterson, and I might have expressed it strongly.

Q. How did you get that bad opinion?—A. From examining the records.

Q. Did they satisfy you that there had been these frauds perpetrated by Peterson?—A. I do not know as you can call them frauds. Everything grew up under the laws as they exist.

Q. You say that you do not know that you can call them frauds?—A. These very

things that affected my mind so unpleasantly in regard to Peterson, all seem to have the sanction of law. There is one exception that I want to make to them. There was a point brought up the other day as to whether a man who does not own a steamboat can be a bidder.

Q. Don't you consider it a fraud on the Government for a man to take a mail-contract, and then fail to carry the mail, and to receive pay for doing it?—A. Well, take this route that I have spoken of, from New Orleans to Red River Landing; I have given you all the facts as I found them, and a man can characterize that according to his pleasure, but I suppose they can refer to the other investigations and discoveries which I made in the books.

Q. I will ask you whether, after an examination of the papers and books in regard to the Peterson matter, and after discovering those irregularities, or frauds, or whatever you choose to call them, you communicated your information to the Postmaster-General.—A. I did.

Q. Did he annul the contracts on the strength of that information?—A. Well, we discussed that matter together.

Q. What was the result?—A. You can take the records and look them over and form your own calculations as to whether the facts conform to the law or deviate from it. Any opinion that I expressed would be merely an opinion of my own. But I think that when we discovered the frauds on this particular route on the Lower Mississippi, which would naturally exasperate one somewhat, the contract was immediately annulled. Peterson had one above that on the Mississippi River somewhere. There was another in the name of B. C. Peterson, who, I suppose, was a relative, or, perhaps, a mere figure-head, though that is a matter of opinion. It was some time in the month of March or April when this question came up. Now, I may be convinced that a contractor is a rascal, and yet he may be so completely hedged in behind the law, and may have managed his cards so well that we have no authority for touching him, and we have to do the best we can under the circumstances. Whether the Postmaster-General asked my advice in this case I do not know, but I recollect giving my opinion—it may have been a very unwise one—but it was within about three months of the expiration of the contract, and if we annulled those contracts we had to give the contractor one month's extra compensation. Mr. Peterson was then very intimately associated with the steamboat-men who were carrying the mails. The Post-Office Department, of course, had no means of determining his relation to them, but he claimed, I believe, to be their agent, and, in some instances, the steamboat-man admitted that he was authorized to speak for them. Now, if we had annulled those contracts we would be obliged to give those men one month's extra pay, and then to contract for the balance of the term with the same men on the best terms we could, so that it would have been a costly matter to the Government to have annulled the contracts on the Upper Mississippi River at that time.

Q. Was not one of the results of your investigation the discovery of the fact that Peterson never was a bidder at all on those routes?—A. No, sir.

Q. Was he a bidder or not?—A. I think Peterson got in on the river as a temporary contractor.

Mr. CANNON objected to the last question, first, because the witness could not know the fact; secondly, because it called for that which was a matter of record.

The WITNESS. As you know, those routes are let over and over again, under the law authorizing the Postmaster-General to contract for temporary service, for a period not exceeding six months, at a rate of compensation not exceeding that which was previously paid. There are four of those routes between New Orleans and Saint Louis, and on one or two of them, I think, Peterson came in as a temporary contractor; but my recollection is that in those relettings he appears more or less as a bidder.

Q. What do you mean by "more or less as a bidder"?—A. They were advertised every six months, and I mean that in some of those relettings he appears as a bidder, and in some he does not.

Mr. CANNON moved that the further sessions of the committee be held with open doors.

Lost—ayes 3, noes 4.

Mr. CANNON. This investigation has gone far enough to show that certain contracts with Peterson, with Kittle, and with Nichols are to be investigated. I move, therefore, that the Second Assistant Postmaster-General be called upon to appear before the committee as soon as he can, and to bring with him all the records of those cases, so that we may inspect the records and examine him in regard to his action.

The motion was agreed to, and the committee adjourned.

WASHINGTON, *February 5, 1876.*

JAMES W. BRADY sworn and examined.

By the CHAIRMAN :

Question. State your occupation or official position.—Answer. I am a clerk in the Sixth Auditor's Office.

Q. Please take the books and give the committee a history of the fines and deductions on mail-routes 7504 and 7505.—A. I find on route 7504, Arkansas, that A. J. White is the contractor from July 1 to December 31, 1871. His pay for that period was \$1,248; no deductions or fines. On the same route the service of the Memphis and Vicksburgh Packet Company was recognized from February 14 to May 31, 1873, at \$14,334.75 per annum. The pay for that period was \$4,233.90. From June 1, the same parties were recognized (by another order of the Postmaster-General) to June 30. The pay for that period was \$1,181.43. The total amount of the service which was performed under those orders was \$5,415.43.

The Memphis and Vicksburgh Packet Company as contractors, (the other was recognized service,) was July 1, 1873, to June 30, 1875, the end of the contract-term of four years, at the rate of \$21,500 per annum. The amount paid was \$43,000. During that period of their contract-term there was a deduction of \$714.01, and one of \$412.14; also a fine of \$10, making the fines and deductions \$1,136.15. Out of these deductions there was remitted \$714.01 and \$412; so that there was really only thirteen cents deduction. That is, first, we deducted \$714.01 and \$412.14, then it was remitted \$714.01 and \$412. On that route, for the whole period, to those different parties, the whole amount of transportation accrued during that period, from the 1st day of July, 1871, to the 30th of June, 1875, was \$50,789.44, including the fines and deductions; but deducting the deductions and fines, the amount actually paid was \$49,653.29. That is a history of 7504, as I find it on the pay-books of the Sixth Auditor.

By Mr. AINSWORTH :

Q. I do not understand how you get from January 1, 1872, to February 1, 1873; I do not understand you to have given any amount for that period.—A. The first I find is from July 1, the first of the contract-term, to December 31, 1871. That I have given. Then the recognized service from the 14th of February to May 31, 1873, \$4,233.90.

Q. Now, I do not understand how that gap is filled.—A. Probably I may have the dates wrong; I will refer back to the book and see. I do not know about any gap; I only give it as the record appears before me, [consulting the book;] the next volume does not make up for that interregnum of which you speak. The next service, according to the order here, is from January 1, 1872, to February, 1873. Here it is. There are six months in one book, six months from 1st January, 1872, to the 30th of June, that there is no service for on the book at all.

Q. Then the interregnum is a year, a month, and fourteen days?—A. Yes, sir.

By Mr. CANNON :

Q. Suppose the service was imperfectly performed, and there was no settlement about it, then your books would not show anything about it?—A. Unless there was some special order from the Postmaster-General about that route. These books do not show any orders from the Postmaster-General recognizing any service during that period.

By Mr. AINSWORTH :

Q. Give that period particularly.—A. The Sixth Auditor's books, from January 1, 1872, to February 14, 1873, do not show any contract or recognition of service of any person.

By Mr. CANNON :

Q. And they would not show anything unless the Postmaster-General had certified to you?—A. Certainly not; there being no contract. If there was a contract it would show on the books.

Q. Unless it was in abeyance. It might be still unsettled in the Postmaster-General's Office?—A. Still the contract would show on the book. It is the duty of the Postmaster-General to send the contract to our office, or a certified copy of it, and it is placed on record, even if there was no payment made for the whole period.

By Mr. AINSWORTH :

Q. If any person had had a contract for carrying the mail over that route during that time, it should appear in your office?—A. It would appear on the books; the name of the contractor on the left-hand page, with his address; on the right, the compensation per quarter, the time from which the contract commenced, and the time at which it was to end.

Q. And those books on which it should appear are those books which you have here?—A. Yes, sir. I did not keep those books then. They were kept by a clerk who is now dead. I have had charge since April.

Q. And nothing appears on those books for that period?—A. Nothing appears on that book by which I can give you the information you seek for that period.

Q. The question is whether anything regarding it does appear?—A. There is nothing appears on here showing that there was any service performed or that there was a contract for that period. I have got through with 7504.

7505, recognized service of the Memphis and Saint Louis Packet Company, J. A. Scudder, agent, from the 20th to the 31st July, 1871; the amount of transportation for that period, \$442.30. There was a short contract made with B. H. Peterson from August 1 to December 31, 1871, at \$18,400 per annum, and for that period was paid \$7,650. It was then continued by order of the Postmaster-General from January 1 to June 30, 1872, and for that period was paid \$9,200; the contract with Bodine C. Peterson commenced July 1 and continued to June 30, 1875. During that period was paid July 1 to December 31, \$9,000; January 1 to June 30, 1873, \$11,250; July 1, 1873, to June 30, 1875, two years, \$54,000. The reason I gave those others in that way was because there was an increase of pay during the term, and I could not give the pay by quarters without showing the increase in the pay.

By Mr. CANNON:

Q. What made the increase in pay?—A. An order from the Postmaster-General to increase the service to three times a week.

Q. Before that it was twice a week?—A. I don't know, sir; I suppose it was. Our books do not generally show the number of trips made per week, that is the pay-book does not show that, but there is a clerk now who checks the orders of the Postmaster-General, showing what the increase is for. There was remitted \$606. The whole amount from July 1, 1871, to June 30, 1875, including this amount remitted, was \$92,158.30. During that period was deducted, the first quarter, 1872, \$88.46; \$22.11 fines; the first quarter, 1873, \$50 fines; the second quarter, 1873, \$18 fines, also \$10; the fourth quarter, \$692.32 deductions, \$59.89 fines; the first quarter, 1875, deductions, \$5,865.68; second quarter, \$86.54 deduction; the total amount of deductions during the period, \$6,733; total amount of fines during the same period, \$160; paid for special agent's fares, \$3. A special agent passed over the road, and they collected from him for his fare, and it is charged to the company, as their contract compels them to carry special agents free. The whole amount of fines, deductions, and special agent's fare for the period is \$6,896; which deducted from the amount of the transportation for that period (including the amount which was remitted, \$606) leaves the amount paid \$85,262.30; that includes the history of that route for the time.

By the CHAIRMAN:

Q. The gross amount that you give is the compensation paid to every one, beginning with A. J. White?—A. No. A. J. White had nothing to do with 7505. Scudder, as the agent of the Memphis and Saint Louis Packet Company, \$442.30; and B. H. Peterson as contractor, and B. C. Peterson as contractor—the whole amount paid those three parties. It was very easy to ascertain the amount paid to each. Scudder, as the agent of the Memphis and Saint Louis Packet Company, was paid \$442.30; the amount paid B. H. Peterson for the period he had it was \$17,850; the amount paid B. C. Peterson, \$73,865.80.

By Mr. CANNON:

Q. I suppose you have given us all that your books show?—A. Yes, sir; in these two cases.

WASHINGTON, D. C., February 5, 1876.

GEORGE W. CHEEK sworn and examined.

By the CHAIRMAN:

Question. State where you reside and what your occupation is.—Answer. I reside in Memphis, Tenn. I am superintendent of the Memphis and Vicksburgh Packet Company. The members of that company are, myself, George Malone, Mark R. Cheek, Thomas H. Cheek, A. Carr, and my mother, Mary Cheek; and I think A. J. White has some stock in it, and one or two others, probably.

Q. How many steamboats have you belonging to that company?—A. Three; the Illinois, the A. J. White, and the George W. Cheek.

Q. When was the company organized?—A. I think it was organized in 1872; I cannot give you the date; it may have been in the fall of 1871; I am not positive, but I think it was in the winter of 1871 and 1872.

Q. The stockholders you have mentioned, were they the original formers of the company?—A. Yes, sir.

Q. Did you own those boats before?—A. We had two of these boats; there were

two of them owned by Cheek, Malone & Co., and they got a charter from the State of Tennessee, and sold the boats to the company.

Q. At that time, did your company begin to carry the mail under contract with the Post-Office Department?—A. The contract ran out last July; they carried it two years and four or five months, I think, up to the 1st of July, 1875.

Q. Was anybody interested in that contract besides the members of your company?—A. Mr. B. H. Peterson was interested in one of the contracts that the company had.

Q. Please state the amount of the contract, what was paid you, and what interest Peterson had in it.—A. The amount of the contract was \$21,500 a year. It was from Memphis to the mouth of White River; it was either route 7504 or 7505. The distance was about 200 miles. I think Peterson's interest was about 15 per cent. I don't recollect exactly; there never was any written contract between the company and Peterson.

Q. How much did you pay him?—A. We paid him from time to time all that was due him—all that he was entitled to.

Q. How did you pay him?—A. We paid him sometimes with drafts on the Department. We loaned him some money; we paid him more than the amount he was entitled to on several occasions. The drafts had to be drawn, "The Memphis and Vicksburgh Packet Company, and B. H. Peterson; Geo. W. Cheek, agent." It should be "Geo. W. Cheek, superintendent;" but they made it "agent," and I told them it didn't make any difference whether it was changed or not.

Q. Were the fines and deductions to be taken out of the part that the company had, or was he to bear them?—A. No; he had to stand the fines and deductions, his proportion of them; his 15 per cent., or whatever the per cent. was; and, also, he was to stand part of the losses, if the boats lost anything during the summer.

Q. Had he any stock in the company?—A. He had no stock in the company. He was not a member of the company. I think he did own a steamboat, but that is not of my own knowledge; I only heard him say that he did.

Q. Did he own any in that mail-line?—A. No, sir; he owned no boat that came to Memphis.

Q. How did he get into the contract with you?—A. I received a letter from Governor Alcorn introducing Peterson to me. The letter was dated in Washington, and just about that time there had been great complaint about the carrying the mails there, and in fact there were no mails carried about that time, and the citizens there had written to Governor Alcorn in regard to the mails, and he wrote a petition and sent it to me to get the people along the route to sign. I sent it along, and it was signed by I believe most everybody, and I returned it to him, and on the return of that petition, and the presentation of it to the Department, as I understood, the Department took the mail away from the Saint Louis Packet Company, which was carrying it, as I understand it, for a man named Burke, purporting to be from New Orleans, and, as I understood, the Department refused to let the Saint Louis Packet Company bid for the mail, as they had been carrying it several times, and had thrown it up, and had given the Department a great deal of trouble. Governor Alcorn wrote a letter to me by Peterson, recommending him as a nice gentleman and reliable, and he came by Memphis on his way going to New Orleans.

Q. Recommending him for what purpose?—A. That probably Peterson could assist me in getting a contract.

Q. Were there any other representations made to you about the influence that Peterson had?—A. No, sir; only what he made himself. He made a representation to me that he was attending to the business of the Saint Louis Packet Company, for which they paid him 10 per cent.

Q. What did he say that he could do in the way of influence?—A. He did not say that he could do anything more than that he had.

Q. He must have produced some impression on your mind to induce you to make a contract giving him \$3,000 a year.—A. Yes, sir; it was more than that.

Q. He must have said something to produce the impression on your mind that he was worth that money; can't you remember it?—A. I cannot, sir. I know that I was very anxious to get some pay for carrying that mail, or the company was.

Q. You cannot remember anything that he said to you, except as you have stated it?—A. No, sir; I don't recollect anything special. He never told me that he could; he said that he had some influence with members here, and that he had a good many friends, and so on; nothing that was any wise criminal, that I know of.

Q. Well, tell what he said that was not criminal.—A. Well, I am telling you. The letter from Governor Alcorn to me introduced him. I had the utmost confidence in Governor Alcorn, and I supposed that it was the best thing that we could do.

Q. You supposed it would pay you to have Peterson for your agent?—A. Yes, sir.

Q. It was a business transaction?—A. Yes, sir; that is it exactly.

Q. You thought it would pay you from the representations you had had about him?—A. Yes, sir.

Q. Was that the first acquaintance you had had with Peterson?—A. Yes, sir.

Q. Were you subjected to any fines and deductions on that contract?—A. No, sir; we never lost a trip. I think there was one deduction of about \$14. They made a new post-office, and when the water got high it overflowed the bank, and we could not land there, it was so stumpy and bad, and we were reported for it; and I wrote to the Department the circumstances, and told them they would have to fine us; we could not go in there and take the risk of sinking our boats; that I was sorry we could not do it; and I got certificates of the other postmasters above and below, and of the people there, as to the condition of the landing, and sent them to the Department; and they remitted the fine. That was the only fine that occurred while we were carrying it. We carried the mail four times a week instead of three. The contract was for three times a week.

Q. The settlements were made with you quarterly?—A. Yes, sir.

Q. On each one of those settlements you paid over to Peterson the amount that he was entitled to under your agreement?—A. Yes, sir; we may have given him more than he was entitled to. I know there were several times that he got drafts for more than his proportional part. The secretary of our company kept all that, and I never paid any attention to it. I could have gotten the facts and figures and brought them here. There is nothing in the world in it that I care to keep secret.

Q. Did you have any conversation with Peterson during the existence of your contract, or at any time, from that time to this?—A. Yes, sir; I had one or two conversations with him.

Q. About your mail business?—A. Not particularly about ours; it went along so very smoothly that we had no trouble.

Q. Was it in regard to mail-service?—A. Yes, sir. I asked him how it was—who this man Burke was, purporting to be from New Orleans—the man that took the contract away from us, bid it down so low that we did not bid on it, and who never could be found. I asked Peterson who he was, and he said it was the Memphis and Saint Louis Packet Company that had put in that bid; said there was no such man as Burke. I went to the Department when our time was up for carrying the mail, and the post-office at Memphis notified me that the contract had been let to Burke, from New Orleans. On the day that he was to begin to carry the mail I went down to the post-office to see whether he was going to take the mail, thinking that, in all probability, he might let it be, and we would just carry it right on.

Q. At what time was it that Burke was supposed to have this contract?—A. That was just a short time previous to the time that we commenced carrying it.

Q. That was not the letting in 1871, but in 1872?—A. In 1871 some man from some place in Alabama had bid it off. The second letting we did not bid for it at all.

Q. I notice that in 1871 the contract for route 7504 (from White River to Memphis, 180 miles and back, twice a week) was drawn and transmitted to Alexander Thornton, at \$1,975 per annum, but not executed?—A. Yes, sir; he wrote to me asking what I would carry it for, and I wrote him that I would not carry it for him at all.

Q. The route was readvertised subsequently?—A. Yes, sir; it was readvertised, and we did not bid on it at all, and Burke was the lowest bidder at that time.

Q. I will read over the names of the bidders as reported by the Postmaster-General: Alfred Lee & Co., highest bidder, \$5,500; do you know who they were?—A. No, sir.

Q. Are they steamboat-owners on the Mississippi River?—A. Not that I know of.

Q. Are you familiar with the owners of steamboats on the river?—A. Pretty familiar, sir.

Q. The next is William English, \$4,800.—A. I think William English lived in Washington here; I think I got a letter from him on one occasion.

Q. Had he any boats?—A. Not that I know of.

Q. J. M. Tebbetts, \$4,800. He was a Memphis man, was he not?—A. That was Judge Tebbetts. He was interested with the Memphis and Arkansas River Packet Company; he was their attorney, as I understood from the president of the company.

Q. Was he a reliable bidder?—A. Well, the company broke.

Q. Was it broken at the time he made this bid?—A. It was pretty well shattered, I think.

Q. Next, A. J. White, for \$4,600; what about him?—A. I know A. J. White. I did not recollect about that bid at all.

Q. Is he a steamboat-owner?—A. No, sir; he was one of our company.

Q. Then, the Memphis and Vicksburgh Packet Company, \$3,498?—A. That is our company.

Q. The Memphis and Saint Louis Company, John H. Scudder, \$3,000. Then, Edward P. Dougherty & Co., \$2,995; do you know them?—A. No, sir.

By Mr. CANNON:

Q. You spoke of Burke a moment ago. Was not his bid for that company?—A. Yes, sir; that is what Peterson told me.

By the CHAIRMAN:

Q. The Memphis and Vicksburgh Packet Company again, \$2,888.—A. Well, we put in

the first bid, and then we concluded to put a less one; after sending on the first bid we concluded to put in a less one. That is my impression.

Q. Was White's bid put in with the consent of the company?—A. I don't recollect that it was, but I suppose it was. He would not have done it otherwise.

Q. What caused you to drop down in your bid?—A. I will tell you the reason of that. Previous to running to the mouth of White River we ran our boats from Memphis to Friar's Point, where General Alcorn lives. Friar's Point is about 115 miles from Memphis, and we call it 200 miles to the mouth of White River.

Q. It is called 180 here.—A. Yes; I see it is called 180 there. We were running to Friar's Point with our boats, and when we left and commenced running down to the mouth of White River, Mr. Scudder's agent notified us that Scudder was going for us heavy; that if we ran a foot below Friar's Point he was just going to wipe us out; and the company got a little up about it. They concluded that they would not be wiped out; that they would bid this thing down; and that if Scudder took it he would have to get it at a low price.

Q. I want to call your attention to these bids. A. J. White, \$4,400. Then, the Memphis Packet Company, \$3,498, within \$98 of \$1,000 less. Then Scudder put in a bid of \$3,000. Dougherty then put in his, and bid \$2,995, \$5 less than Scudder's. Then your company bid \$2,888, a little less. I want to call to your attention that these three bids, Scudder's, Dougherty's, and your last bid, were very nearly together. Had you any information, in any way, by which to guide you in the amount of your bids?—A. None; not a word, sir.

Q. It was purely an accident, then, that the bids are so close together?—A. Yes, sir.

Q. You stated, however, that you were anxious to get the contract, and that you had heard that Scudder was going to run you out and you were anxious to get under him.—A. Yes, sir; that is the reason.

Q. And you say that you had no information, except a mere guess, about the amount of his bid?—A. I think, since you have commenced talking about information, that the reason that bid was put in was this: There was a gentleman in Saint Louis who was talking with their secretary there, and the secretary was telling him about how low down they had bid it on us. Their secretary told this gentleman, who is a clerk on one of our boats, and he told me what the secretary of the Saint Louis Packet Company had told him, and then we concluded to put in this less bid.

Q. Who put in these bids for you?—A. We put them in ourselves, I think. I think I did—put them in the mail and sent them here; that is my impression.

Q. Did Peterson have any connection with these bids?—A. No, sir; none in the world.

Q. Did you get any information in regard to them from him?—A. No, sir; I did not know him at the time. The post-office books will show that we commenced carrying the mail, I think, just about the day that I first became known to Peterson. The Department telegraphed to Memphis to the postmaster there to see what were the best terms on which they could get the mail carried.

Q. Your company put in three different bids for this route 7504, and the contract was given to Alexander Thornton at \$1,975. The point I want to call your attention to now is this: I understand you to say that the Post-Office Department gave you \$21,500 to carry this mail from Memphis to the mouth of the White River, 180 miles, as it says here. Now, you agreed to carry this mail, according to your first bid, for \$4,400 a year?—A. Yes, sir.

Q. You agreed afterward to carry it for \$3,998?—A. Yes, sir.

Q. And then for \$2,888?—A. Yes, sir; but it was twice a week.

Q. Now, I would like to know whether, after this contract was thrown up by Alexander Thornton, or not executed, or at any time, you were notified, as a bidder on this route, that the contract was not executed by Thornton, and your company given an opportunity to carry the mail at the price you had bid at.—A. We took the mail when we commenced with the agreement that we would take it and carry it for whatever price it was let at when it was let.

Q. That is not an answer to the question. After the contract was not executed by Thornton, to whom it was awarded, was your company notified, as one of the bidders on that route, that he had failed to carry out his contract, and given an opportunity to carry the mail at your bid?—A. I do not think we were, sir.

Q. On any other one of the bids?—A. I do not think so, sir.

Q. After you put in these bids at these prices I speak of—I have no doubt it looks a little strange to the committee; it does to me—how does it happen that they got a contract for \$21,500, when they had bid for \$4,400?—A. Well, sir, carrying it at \$4,400, they would not make anything at it, but would lose money, and they calculated to lose money.

Q. But you had put in a bid for it?—A. Yes, sir.

Q. When you came to make an application to carry it at \$21,500, were you ever asked by the Department to carry it at your bid?—A. I don't recollect being asked.

Q. Those were *bona-fide* bids; you intended to execute them when you put them in?—A. Yes, sir.

Q. You made a bid on a new advertisement in 1872?—A. Yes, sir.

Q. Your bid was \$21,500?—A. Yes, sir.

Q. And you were notified that you were the lowest bidder?—A. Yes, sir; I was right here in the post-office, myself.

Q. Do you know anybody else that was a bidder?—A. There was no other bid on it, as I understood.

By Mr. CANNON:

Q. That was not a regular advertisement?—A. It was advertised twice. It was advertised in the first place to carry it twice a week, and the lowest bidder had an informal check in. The law required that they should put in a check on a national bank, and I understood that the check was on a private bank, a certified check for five per cent. of the amount bid, and Peterson was interested in that bid; and he was the one that called the attention of the Post-Office Department, and found out that some way or other, I do not know how.

Q. Who told you this, Mr. Peterson?—A. Well, I had a letter from Governor Alcorn and Mr. Peterson both in regard to it. Governor Alcorn wanted it three times a week instead of twice, and he got the Department to re-advertise.

Q. That was after this informal bid?—A. Yes, sir; it was then advertised sixty days more. That was in the winter of 1871 and 1872.

Q. What did they re-advertise it for when A. J. White was carrying it?—A. I cannot say.

Q. How did it happen that you put in a bid for so much larger an amount? As a matter of course, I take it for granted that you revolved the subject in your own mind and concluded that the bid would go through. How did it happen that you put in a bid of \$21,500 in 1872, having put in a bid of \$4,400 in 1871?—A. Well, sir, we just concluded that we would get pay for it or we would not carry it.

Q. Had you any knowledge of these other bids that had been put in in 1871, what the highest bid was?—A. No, sir.

Q. You had never been informed?—A. No, sir.

Q. You state, then, that you entered into no sort of combination?—A. No, sir; not with anybody.

Q. And had no information from the Postal Department, or from anybody outside who professed to have information, to guide you in that bid?—A. Nobody but Peterson and myself talked about it.

Q. And he gave you no information of that kind?—A. Not that he had ever learned anything from—

Q. Had he learned anything from anybody?—A. Not from anybody. I will state to you how we made our bids: We got the prices from Vicksburgh to New Orleans and the price from New Orleans to several other points, and divided it by the number of miles, and we put in the same price per mile as those contracts were then let for. That is the way that we got at the \$21,500.

Q. Who were they let to?—A. I don't recollect who were carrying them. I do not know whether Peterson had anything to do with them or not.

Q. Did he ever tell you that he had?—A. I know that he had one contract down there to some place. I think he had a contract to some place up the Red River.

Q. You think you were the only bidder under the re-advertisement?—A. That was what they told me in the Department. The Postmaster-General sent for me and questioned me. He was considering whether or not he would let it at the price. He sent for me to learn why it was that we put in such a bid as that, so high; he said it was an outrage. That is just what Mr. Creswell said. He asked me why I put in a bid of that magnitude, and I told him that we had just come to the determination that we would either get pay for it or that we would not carry it; that times were getting harder and business duller, and unless we did get right good pay we might be cut up in the summer time.

Q. Was there no one else but you to carry that mail?—A. No, sir; there were no other boats that were competent to carry it, unless somebody else put in new boats and run us out.

Q. Were Scudder's boats running there?—A. We had taken all the trade away from him. I don't suppose his boats landed. They would leave Memphis at 5 o'clock in the evening and, I think, would be at the mouth of the White River the next morning by 10 o'clock.

Q. I see Scudder's bid is \$3,000 on that route?—A. Yes, sir.

Q. Is that company responsible?—A. Yes, sir; it is so considered, a very responsible company. I suppose it is worth a million dollars.

Q. One of the best companies on the river?—A. Yes, sir.

Q. Did the Postmaster-General ask you anything about the other boats on the river?—A. Well, he told me that it was an outrageous price, and I told him that we had made

up our minds that we had been carrying it for nothing and had lost money, and we were going to have pay for it or we would not carry it.

Q. What did he say then?—A. "Well," he says, "I don't believe I will give it to you," and he held it up for two or three days, and consulted, I think, Governor Alcorn about it, whether or not he should let it. As Governor Alcorn lived there at Friar's Point, and the people had all been fussing at him about it a good deal, I think about the third day he sent for me again to reduce it, and I told him we would not reduce it.

Q. You thought you had the Department in a tight place?—A. Yes, sir; and I told him that we would carry it, and he should have no complaint, and we never lost a mail. We made every exertion, and when we did not have a boat of our own we just hired one to go.

Q. You stated that you had run Scudder out of the trade; don't you think Scudder could have been brought back into the trade if he had been invited to carry the mail?—A. Well, his boats passed along there; but before we went into that trade he was charging them two dollars a bale for cotton, and we went in there and charged them a dollar and a quarter, and we tried to accommodate. We found that it was our interest to accommodate everybody along the river. We worked there for about two years and never made anything, and we built up a very nice trade, so that it commenced to pay, and Scudder lost all his business along there.

Q. Did he continue to run his boats?—A. Yes; he ran them through to Vicksburgh.

Q. Over this same route?—A. Yes, sir; but his boats were too large to land at the way-landings. That was the great trouble with him in carrying the mails.

Q. Who thought they were too large?—A. They could not land at a great many places. He acknowledged himself that they were too large to land at these way-landings.

Q. Were there post-offices at the way-landings?—A. Yes, sir.

By the CHAIRMAN:

Q. What did the Postmaster-General say to you after sending for you on the third day?—A. He wanted me to reduce the price to less than \$21,500.

Q. He told you it was exorbitant, outrageous?—A. Those were the words that he used, I believe.

Q. And the third day he told you that he would let you have the contract?—A. That is my understanding.

Q. Were you notified there that you had the contract?—A. Yes. I went up to the Department every day to see, and we were awarded the contract, and they paid me for the time that we had carried it up to the time it was let, at the same rate. We had been only carrying it twice a week. The great secret about this big price is the putting on of another boat. We carried it four times instead of twice. The bid was three times a week, which required the necessity of putting on another steamer, and the boat could not live there making one trip a week, so we made two trips a week, and in that way we divided a great deal of business that the boat would do in making two trips a week. So that we bid on it large on that account.

Q. You bid on it five times as much as the original bid in order to cover that additional boat?—A. Yes; I told Mr. Creswell at the time that the additional trip was a little hazardous, if the steamboat undertook to run all through the summer, for the business gets very dull at that time, and it does not take a steamboat long to lose a thousand dollars. One year that we carried that mail on the A. J. White, her expenses were \$104,000.

By Mr. AINSWORTH:

Q. Prior to the time that you received the letter from Governor Alcorn, introducing Peterson, had you had any conference with him regarding the letting of that mail?—A. Yes, sir; I had sent him the petitions from the people down there.

Q. Had you had any conference with him regarding the price that you should receive?—A. No, sir; I do not think we ever mentioned a price about it.

Q. Had Peterson or any other person been mentioned by him to you as a suitable person to engage with you in the contract?—A. Only after this petition had been sent on here.

Q. Did you have a conference with Governor Alcorn regarding some persons going in with you?—A. No, sir; I supposed that Peterson had seen Governor Alcorn and asked him to give him a letter to me. I do not know in what way that came about.

Q. You and Governor Alcorn had never had any conversation regarding this man?—A. No, sir.

Q. Have you that letter that Governor Alcorn sent you?—A. I do not know whether I have it or not. It might be in our office at home. I will forward you that letter if we can find it, and I think in all probability we can. It was a mere letter of introduction of Peterson as a reliable gentleman who wanted to talk with me about the mail-service.

Q. After receiving that letter you had a conference with Peterson?—A. Peterson brought the letter.

Q. What took place between you and him at that time?—A. Well, sir, we talked about the mail service; I don't recollect exactly what took place.

Q. What did he propose to do for the 15 per cent. which you agreed to allow him?—A. Well, he agreed to do anything that he could; anything that was in his power to do. The understanding was that if we got the contract, any time that it was necessary to come to Washington here to attend to any business of the company, he was to come at his expense and do it; and then, I think, he agreed that if the boats lost any money in the summer he would put up his proportionate part.

Q. What did he represent that he could do toward obtaining the contract?—A. Nothing, but he said that he knew a good many members of Congress here and the officials.

Q. He did not state to you that he had any influence here at the Department, any means of obtaining contracts beyond any other man?—A. No, sir; he did not represent anything of that kind.

Q. You did not consider that it would add to your chances of getting the contract to give Peterson 15 per cent.?—A. Yes, sir; I thought it would add to our chances.

Q. How?—A. Well, I thought he understood it. I had never been here to the Department, and did not know much about it. I had been a contractor with the Department during the war, though.

Q. Did you consider that his relations with Governor Alcorn would be of any advantage to you?—A. No, sir; I thought Governor Alcorn would do as much for me as he would for anybody. He would not do anything for anybody but what was right.

Q. Who did attend to getting the contract, and was here at the Department day after day?—A. I was here myself and put the bid in.

Q. Was Peterson here?—A. Yes, sir; he was here; we were here together.

Q. Did you have any conversation with him regarding the position of the contract during these days that it was pending?—A. Nothing, only what I have stated, that I know of.

Q. You have not stated anything that took place while you were here?—A. I don't recollect anything special. I know that we were talking about the chances of getting it all the time.

Q. Tell me what you did and what he did regarding the contract during the time it was pending before the Postmaster-General.—A. I do not know that we did anything; I made it at home. Our company thought it was best that I should come here and not trust the bid with anybody. They knew the agreement that had been made with Peterson, but they thought it was best that I should come on here. I got three blank contracts, filled them out for three different prices, and got the security, and took them there before the proper parties and got the certificates as to solvency, &c.; it was drawn up "The Memphis & Vicksburgh Packet Company," and B. H. Peterson was put in here, to the best of my recollection, after I got to Washington.

Q. What was the amount in the other two bids?—A. There was one that was larger. I don't recollect the amount. The other was smaller; I think it was about \$18,000.

Q. What decided you as to which one should be filed?—A. My impression is that we calculated what the Department was paying other routes for the same service.

Q. Who calculated?—A. I did—Mr. Peterson and myself; and we asked Mr. Routt, the Second Assistant Postmaster-General, to give us the figures; we asked him what they paid on such and such routes.

Q. Did he know that you were consulting him with reference to making up a bid?—A. I do not suppose he did. We did not tell him.

Q. You went and saw him before you put in your bid?—A. Yes, sir; I saw Colonel Routt, the Second Assistant Postmaster-General.

Q. Did he assist you in making up your application?—A. No, sir; he did not.

Q. You have stated only one conversation with the Postmaster-General, but you say you were there every day. Did you have any other conversation with him regarding it?—A. No, sir; none other.

Q. Did you have any conversation with him regarding Peterson?—A. No, sir.

Q. With Peterson regarding anything that he had done or was doing at the Department during the time it was pending?—A. No, sir. If he had been doing anything wrong, he was smart enough to keep it from me.

Q. Do you know anything that he did do regarding the obtaining of that contract?—A. No, sir; I do not. Nothing irregular.

Q. Do you know of his doing anything?—A. I know he was there. He insisted that it was a reasonable price, &c. He went before Mr. Routt, and I do not know whether he saw Mr. Creswell or not. I know that I saw Mr. Creswell; he sent for me, I think.

Q. State anything else that Peterson did for his 15 per cent. besides what he did here at the time you obtained that contract.—A. Well, he was here every quarter and got the pay sent out.

Q. Do you think you could not have drawn your pay without him?—A. O, I find now, sir, that I could. There would have been no trouble about that.

Q. State anything else that he did for his 15 per cent., besides what he did at the time you obtained the contract, and drawing your draft and sending it to you.—A. Nothing, that I know of. I think what we paid him was just thrown away.

Q. Did you pay any other persons for obtaining that contract, or in connection with it?—A. No, sir.

Q. Did you have any conference with Governor Alcorn during the time that the contract was pending at the Department?—A. I do not know whether I had. I probably told the governor that we had put in our bid, and I do not know that the governor did not tell me it was too large, and then I told him why, and explained to him that it would require another boat, and we could not get a boat for less than \$50,000 or \$60,000.

Q. Do you know that he went to the Department in your behalf to endeavor to obtain that letting?—A. I do not.

Q. You made no request to him to do that?—A. Well, Governor Alcorn would have done anything if I had asked him. I do not recollect asking him to go.

Q. Nor having any talk with him about going?—A. I may have done so.

Q. Don't you know that you gave him this explanation of putting on the extra boat, and these data showing that your bid was not too high, in order that he might present them to the Postmaster-General?—A. I think in all probability that I did. I don't recollect whether he did go or not.

Q. Is it not your recollection that he did?—A. I think it would be probable. I might have told him for that purpose, but I do not recollect.

Q. He was not before the Postmaster-General at the same time that you were?—A. I don't recollect his being there. He had been to the Post-Office Department frequently with me.

Q. Were there any persons here who aided you in getting that contract?—A. No, sir.

Q. Who is carrying that mail now—are you?—A. No, sir.

Q. Who is?—A. The Memphis and Saint Louis Packet Company are pretending to carry it. There is a petition of about five thousand people now in regard to it.

Q. Do you know at what compensation?—A. They are carrying it from Memphis to Chicot for \$17,000, and from Chicot to Vicksburgh at \$18,000. Chicot is a few miles below White River. Instead of the mouth of White River being the terminus, they have moved it down to a little railroad that comes in there, about thirty miles below the mouth of White River.

Q. What determined you not to accept the amount in your lowest bid?—A. I do not know anything but what I have told you, that we had got the business concentrated, and we determined to get pay.

Q. But I mean what made you change your mind after leaving home with the \$18,000 bid?—A. What I made up, I had to make up at home, and I had not determined upon what amount we would put in.

Q. Can you give me the routes and prices with which you compared, in order to determine what you should bid?—A. I do not know that I can. I know there were several routes.

Q. Did you compare it with any routes in which Peterson was interested?—A. I do not know whether we did or not.

Q. You compared it with some others in which he was interested?—A. I think we compared it with one route from New Orleans to Saint Francisville, and from New Orleans to the mouth of Red River. I do not know whether we compared it with the Vicksburgh and New Orleans route or not.

By Mr. WALKER:

Q. Did Peterson say to you that he might bid with some other steamboat company in case you did not take him in as a partner?—A. No, sir.

By Mr. CANNON:

Q. I understand you to say that when you put in the bid for \$4,400, on route 7504, that that was for twice a week service?—A. Yes, sir.

Q. Those bids were put in in the early part of 1871; Thornton's bid appears to be accepted March 30, 1871; when was this bid put in on which you got it at \$21,500?—A. About two years and three or six months from last July. That would make it about April, 1873. I carried it, I think, sixty or ninety days, before the contract was made at the pro-rata rate. Two or three companies bid for it at a stipulated amount, but our bid was to carry it at whatever it was let at.

Q. Was your bid as reasonable as the others?—A. I do not know what the others were.

Q. This bid at \$21,500, was that in response to a regular advertisement?—A. Yes, sir.

Q. I understand you to say that your boats are small boats?—A. Yes, sir.

Q. Were the offices along the river increased in number from this time, in 1871, when you put in the bid, when you did not get the contract, up to the time that you put in the \$21,500 bid?—A. Yes, sir; I think there were a good many post-offices established. Everybody that wanted one along the river, we landed there, and there was a great increase.

Q. In the mean time, I understand you to say, that you had worked to build up a business along that route at a loss?—A. Yes, sir.

Q. There were rival lines?—A. Yes, sir; the Memphis and Saint Louis, the Memphis and Arkansas, and the Memphis and White River lines.

Q. And you had been running at a loss for the purpose of running them out and securing the business to yourselves?—A. Yes, sir; and the business was all concentrated on our boats; we had the best boats.

Q. Your boats are smaller than the Memphis and Saint Louis Company's boats?—A. Yes, sir.

Q. What did you say about their boats being too large to land at many of those post-offices?—A. Their boats carry about a thousand or twelve hundred tons; our boats, about two hundred and fifty tons. A boat drawing ten feet of water could not get in to half the landings.

Q. Therefore, for that or some other reason, they did not put in any bid at all at this other advertisement?—A. Mr. Scudder sent me word that he could not perform the service. I think it was by his agent at Memphis, a man named Dill; he died about a week ago. He carried all the mail-service there.

Q. He sent you word, then, before you put in this second bid, that he could not perform it?—A. Yes, sir; he had the service, and they took it from him.

Q. And the poor manner in which he performed it led to this complaint and petition and general uproar?—A. That is it exactly.

Q. Then he did not put in a bid this second time?—A. No, sir; he did not. I understood that the Department would not receive his bid.

Q. Do you know whether he offered a bid?—A. I do not.

Q. How did you understand that?—A. Well, I understood it from several. I think in all probability Peterson told me, but I am not certain; but I understood that they would not receive his bid, because he failed to carry the mail and they had had so much trouble about it.

Q. You say that Mr. Creswell, the Postmaster-General, sent for you and said that your bid was outrageous?—A. Yes, sir.

Q. What was it—pretty high?—A. I do not consider it high even now, to have the service performed right.

By the CHAIRMAN:

Q. Mr. Alcorn considered it high, you said?—A. He did until I explained to him that we would have to put on another boat there.

By Mr. CANNON:

Q. Is not this the truth about it now, that you had run that line as you say at a loss, but in such a way that you had aggregated the business, built up your freight business along the route, so that no other line could run in there and divide it with you, and you thought you had got the Government in a tight place, and that you could jam them and get your own price?—A. Well, sir, that is the honest truth. I did think so. I told the Post-Office Department at the time that there were no other boats that could go in there and carry it.

Q. What did Mr. Creswell state about not letting you have the service?—A. Well, he said it was an outrageous price, and he was in a quandary for several days whether he would let us have it or not. I told him that we had been running at a loss, and had concentrated the business there, and I did not think it was an exorbitant price.

Q. You refused to lower the price?—A. Yes, sir.

Q. Who carried the mail between the time that Thornton failed and the time that you commenced to carry it?—A. The Memphis and Saint Louis Packet Company. They were carrying it at the time we got it.

By the CHAIRMAN:

Q. And they are carrying it now?—A. Yes, sir. I can tell you how we kind of "boosted" him out the first time, when he was carrying it at such a low price. He took it on the 1st of July, from this man Thornton, (I thought it was a man by the name of Burke, but it seems it is Thornton,) and their boats came down very heavily laden, and, the water being very low, they could not get in to many post-offices. They carried the mail down to the mouth of White River, and would leave it out there, and our boat would come down there and take the mail and bring it up and distribute it at all the post-offices, I think about 34; and they got so that they did not land at these places, because we would take this mail without making any contract with them whatever.

Q. Was that a kind of a labor of love, or did the Post-Office Department pay you?—

A. No, sir, not a dollar. Our object was to carry that mail, and to get it carried regularly, so that when they failed, the Department would take it away from them.

Q. That is, you were trying to work up a hubbub along the river, by carrying it a while so that the people would get used to having the mail carried regularly, and then shutting off?—A. Yes, sir; that is just exactly what was done. And the ice filled up the river and then boats had to stop, and the people had no mail, and we quit carrying it, and it was during this interval that the petition and howl were gotten up.

Q. Was there any corrupt bargain between you and Peterson to affect any official or officials?—A. None in the world; not a particle in any way.

Q. Then I am to understand that this arrangement between you and Peterson was purely a business one?—A. Purely a business transaction. I have heard a great many things said about Mr. Peterson, but I have never heard anything from him but what was right and proper, and in a business manner.

Q. You say that the Memphis and Saint Louis Packet Company is now carrying this mail?—A. Well, sir, they are carrying at it.

Q. Do you know what price is being paid them?—A. I was in the post-office when the contract was let. It was \$17,000 from Memphis to Chicot, and \$18,000 from Chicot to Vicksburgh.

Q. Chicot is how far from the mouth of White River?—A. About 35 miles.

Q. Then it is being carried at five or six or seven thousand dollars less than you carried it at. Now how is that service being performed by the Memphis and Saint Louis Packet Company?—A. Very poorly.

Q. What do you mean by very poorly?—A. I will show you a certificate gotten up with about 5,000 signers to it. Sometimes they carried the mail once in two weeks, and in the month of December there were only four or five mails; they were twelve days apart.

Q. What is the difficulty?—A. It is owing to the size of their boats; their route is so very long, from Saint Louis, that they don't get to Memphis sometimes in eight or ten days, and the route is so long that sometimes three or four of their boats come together to Memphis. The boats start at Saint Louis and run clear through to Vicksburgh, and the river gets down sometimes to about 4 or 4½ feet, and they get aground and delayed. At one time there, the steamer Julia was twelve days from Saint Louis to Memphis. She was on her way to Vicksburgh, and the mail there all the time waiting for her to come.

Q. Why didn't you bid on that route again?—A. The reason was we didn't have the capacity to bid from Saint Louis to Memphis, and Memphis to Chicot, and Chicot to Vicksburgh; we hadn't the capacity to carry the mail from Memphis to Saint Louis, and we didn't want to come in competition with the Memphis and Saint Louis Packet Company over the whole route; it is a very strong company.

By the CHAIRMAN:

Q. Were those routes all advertised together?—A. They were advertised separately, but they were not let according to the advertisement. Our bid was the lowest from Memphis to the mouth of White River, except one, and his bid was informal on account of his check.

By Mr. CANNON:

Q. Why didn't you get it then?—A. Well, they did not let them according to the advertisement. The advertisement was for six times a week, and they let them at three times a week instead of six.

Q. That is, the Postmaster-General said that this six times a week service was costing too much, and he would not let anybody have it?—A. Yes, sir.

Q. And then he went to work and made a contract, without advertisement, with this Memphis and Saint Louis Packet Company?—A. Yes, sir. I was present. That was just about a year ago yesterday or to-day.

Q. Did White carry this mail?—A. Yes, sir, for a time. I don't recollect up to what time. We were carrying it. It was under my supervision.

Q. How did the Memphis and Saint Louis Packet Company get to carry it?—A. That contract was under this man Thornton. I thought it was for Burke, of New Orleans; that is what my impression was; I may have been mistaken in the name. I know that contract was not in the name of the Memphis and Saint Louis Packet Company.

Q. When White carried it, it was carried by your boats?—A. Yes, sir.

Q. He is one of your company?—A. Yes, sir.

Q. Did you perform the service badly or well, while he was doing it?—A. We performed it well; we never lost a trip.

Q. Then how did you happen to get out of it; the Memphis and Saint Louis Packet Company to get in?—A. That is just what I never could understand.

Q. Do you recollect when it was done?—A. I could not give you the exact date.

By Mr. AINSWORTH :

Q. When did White cease to carry it ?—A. We carried it to the 1st of December. On the 1st of January, again, somebody else stepped in. White's contract was at so much a trip, up to the 1st of January or until the expiration of the time, at the discretion of the Postmaster-General.

By the CHAIRMAN :

Q. The question that Mr. Cannon wants to get is, did your company or White throw up the contract ?—A. No, sir.

Q. Then how did you get out of it ?—A. Well, I went there pretty nearly every day and signed for the mail, and there was a wagon, which we paid for it, that came and took it to the boat, and the newspapers had it there, that the mail had been taken away from the steamer A. J. White ; that it was no longer a mail-boat ; so I went to the post-office at Memphis on the day that they were to commence the service, as I understood, and the postmaster showed me an order from the party who was supposed to have it, (I thought it was Burke,) an order to the Memphis and Saint Louis Packet Company for the mail.

By Mr. CANNON :

Q. Then it must have been a second re-advertisement when your bid was put in at \$21,500 ?—A. Yes, sir ; it was a second ; it was really a third re-advertisement. Our supposition was that nobody would bid under \$24.50 a trip, and that the Department would just continue it on, but Burke underbid. That is the way that he got it.

By Mr. MILLER :

Q. Was your company organized under a charter ?—A. Yes, sir ; of the State of Tennessee.

Q. The parties that made up the company had been steamboatmen ?—A. Yes, sir ; myself and my brother, and partner, and another brother ; my mother, also, was a member and stockholder in the company ; she had some money, and I got her to put it in there.

By Mr. AINSWORTH :

Q. Was White your brother-in-law ?—A. No, sir ; Mark R. Cheek and Thomas H. Cheek and George Malone ; Mr. White is no relation at all.

By Mr. MILLER :

Q. What was the capital stock of your company ?—A. It was \$100,000. I think the charter provided that it might start with \$70,000 paid in.

Q. In reference to the contract for \$21,500, you say you came to Washington with three proposals ?—A. Yes, sir.

Q. You hadn't determined which one you should put in until you reached Washington ?—A. Yes, sir.

Q. Was that question settled, as to which one by Peterson ?—A. Well, he and I consulted about that. I wanted to put in the large one, and he wanted to put in the small one ; he thought we would be more likely to get it by doing that ; but we finally settled on the middle one.

Q. Had you taken Peterson into partnership with you before you reached Washington ?—A. Yes, sir.

Q. You said you had not put his name in the contracts ?—A. No, sir ; I had not. I left a place, though. I had to give the security there in Memphis for the performance of the service.

Q. You entered into this copartnership with Peterson, thinking that he would be valuable to you in this contract ?—A. Yes, sir ; I did.

Q. Didn't you think that the main value would be in getting the contract from the Department ?—A. Well, I thought in all probability that it might be. I didn't know. I supposed so. At the time we must have had something in view. I made the contract with him, and we thought it was for our interest to do it. He represented to us that the Memphis and Saint Louis Packet Company was paying him 10 per cent., and their contracts were about \$100,000 ; and on this small contract of \$21,500 he wanted so much.

Q. It was understood by you, and generally by the contractors, that he was a valuable man to help to get contracts ?—A. Well, I didn't know anything about him until he brought the letter from Governor Alcorn.

Q. But you knew the fact that he was getting 10 per cent. from the Memphis and Saint Louis Packet Company. That helped to confirm you in your idea of his value ?—A. Yes, sir ; of course it did.

Q. You had an idea that you stood a better chance of getting the contract by taking him in as partner ?—A. I did.

Q. And you had an idea that you could not get the contract unless you did take him in as partner ?—A. I didn't know. It might be that we thought we might not get it. We thought the chance was much better with him, any way.

Q. You thought he had skill in securing contracts. Did you think also that he had power to defeat contracts?—A. I could not tell about that. He never made any unfavorable representations to me, only that he was getting this 10 per cent. from the Memphis and Saint Louis Packet Company, and I thought they were better posted than I was—a large company like that, that had been carrying the mail for a long time.

Q. But when you were talking privately with Peterson, making a bargain, you would not naturally overrate his services. Now, the rule of law is that the lowest bidder gets the contracts, and yet he explained that he could get a contract when you could not?—A. No; he never said that.

Q. No, but he left the impression that he could get a contract when you could not. Now, how was he going to do it?—A. I don't know.

Q. How did he leave that impression on your mind?—A. It is a hard question for me to answer.

Q. Well, it might have been by insinuation; but that is just what we want to know.—A. No, sir; he never insinuated anything corrupt to me in his life.

Q. You look like a sharp business man enough, and I take for granted that if a man should come to me and demand 15 per cent. on a contract of mine I would want to know how he could perform the service for it.—A. Well, you see, we had had that mail before. White had had it and it had been taken away, and it became necessary, as we thought, to have somebody to watch it.

Q. I can see that White's mail was taken away by an underbidder. There is not any mystery about that; but this other is a little mysterious. I suppose your bids were properly made out?—A. Yes, sir.

Q. And yet you thought it necessary to give some man 15 per cent. for influence in securing your contract?—A. Yes, sir; we did it. If that thing was to be done over again I don't think I would do it.

Q. No, perhaps you think you understand it as well as he did, now. How many days were you and Peterson here together before you got your contract?—A. I was here on two occasions; I have been here repeatedly; I don't recollect.

Q. But when you brought those three bids with you didn't you stay until the matter was decided?—A. Yes, sir.

Q. How long was it?—A. I think I was here about ten days. I was here several days before the bids were put in.

Q. Didn't you see Peterson every day?—A. Yes, sir; I think I saw him every day.

Q. Were you together always when you went to the Department?—A. No, sir; we went there frequently together, and I went there frequently by myself.

Q. But after visiting the Department you met and talked over what your chances were?—A. I presume we did.

Q. What did Peterson say; did he say that he thought you were going to get it?—A. Yes, sir.

Q. When the Postmaster-General told you that it was an outrageous bid and that you ought to take less, you had a consultation after that?—A. Yes, sir.

Q. Peterson said that there was no use in your yielding the point, did he?—A. Peterson thought that we ought to yield the point.

Q. But I understood you that he thought you would win?—A. Well, he thought we would win finally, but for several days there was some doubt about it.

Q. Didn't Peterson tell you that he thought that by the influence he had with Congressmen, Senators, &c., you would succeed?—A. No, I don't recollect his telling me that, sir.

Q. You were the only bidder?—A. Yes, sir.

Q. The only point was, whether the Department would contract with you, or say that it was too high and advertise again?—A. Yes, sir.

Q. Now, wasn't the conversation between you and Peterson to the effect that there could be enough outside pressure brought on the Department to influence them to make a contract at that time, and at your price?—A. I don't know that it was, sir.

Q. Don't you remember that it was?—A. No, sir; I do not.

Q. That would have been a nice little subject of conversation between partners at such a time.—A. Yes, sir, and a very natural one, too. I think in all probability I explained to Governor Alcorn why the price was put in there as it was, and I think that he went to see Mr. Creswell about it; I do not know, though, positively.

Q. Did you explain to anybody else?—A. No, sir.

Q. You think the only outside influence that you had was Governor Alcorn?—A. Yes, sir.

By Mr. AINSWORTH:

Q. What did Peterson represent to you that he was receiving the 10 per cent. from the Memphis and Saint Louis Packet Company for?—A. For attending to their business with the Department here.

Q. Doing what?—A. I do not know. He did not say what he was doing. I suppose he made their collections and attended to their fines, &c.

Q. When he stated that he was receiving 10 per cent. from them, and asked 15 per cent. of you, didn't he state to you anything that he was doing for that company?—A. No, sir; only that he had put in their bids and made up their bids, &c.

Q. And he did not state to you anything that he could do for your company?—A. He proposed to make up our bids, to see that they were all right, examine them, and all that kind of thing.

Q. Did he make up your bids? They were made up before you left?—A. Yes, sir.

Q. But he fixed the amount?—A. Well, I put in the amounts myself. We consulted, of course, about the amounts.

Q. Then, I understand, the only inducement for you to enter into the contract was the fact that Governor Alcorn had written a letter to you, introducing Peterson as a good man for you to become a partner with?—A. I don't know that he said anything about partnership. He introduced him as a nice gentleman, and reliable.

Q. Who first broached the subject of your becoming partners?—A. I think Peterson. I think Governor Alcorn wrote me that Peterson was the agent of the Memphis and Saint Louis Packet Company, and that he introduced him to me that he might probably be of some service to me.

Q. And at your first interview you offered a partnership?—A. Yes, sir.

By the CHAIRMAN:

Q. I want to call your attention to route 706, White River to Pine Bluff, 156 miles, July 5, 1871; the bidder having failed, a contract was made with the Memphis and Arkansas River Company. Were you interested in that company?—A. No, sir. John D. Adams was president of that company. I don't know who were the stockholders.

By Mr. AINSWORTH:

Q. Was Mr. Alcorn governor of the State at that time?—A. No, sir; he was Senator.

By Mr. MILLER:

Q. When were you notified that that \$21,500 was the only bid?—A. I was notified—I don't know when, if I did not find it out the next day, when the bids were opened.

Q. Didn't Peterson tell you that he didn't believe there was any other bid?—A. No, sir. I think the first notice was when Peterson and myself was in to see Mr. Routt, the Second Assistant Postmaster-General, and Mr. Routt says, "You have got us foul on those bids." That was the day the bids were opened; I think that was the remark he made.

By Mr. WALKER:

Q. You had no knowledge before that yours was the only bid?—A. No, sir.

Q. You say that Scudder told you that he would not bid?—A. No; he said that he did not want it any more—that he would not have it.

By the CHAIRMAN:

Q. Mr. Scudder himself told you so?—A. No, sir; I never spoke to Mr. Scudder in my life. I never was introduced to him. It was his agent, Mr. Dill, that told me so.

By Mr. MILLER:

Q. Was there a suggestion between you and the Memphis and Saint Louis Packet Company that you would divide the routes a little and not bid against each other?—A. No, sir; Scudder said that he did not want that part of it; there was always so much complaint about it.

By Mr. AINSWORTH:

Q. Was Peterson an acquaintance of Burke's?—A. Peterson told me there was no such man as Burke.

Q. Did he claim to know by whom that bid was put there?—A. He told me it was the bid of the Memphis and Saint Louis Packet Company.

Q. And that was at the time that he was in the employ of the company, receiving 10 per cent.?—A. Well, he didn't say it was at that time, but I presume it was so; he was their employé then.

Q. And you knew that he was in their employ at 10 per cent., and that he knew this man Burke to be a myth when you offered him that partnership?—A. Well, I don't know that he got that 10 per cent.; I only know that he told me so; that is all.

Q. And he told you at the same time that this man Burke was a myth?—A. The Department had written me asking me if I could find out where Burke lived, and when I became acquainted with Peterson I thought in all probability he knew something about it. I always thought it was the Memphis and Saint Louis Packet Company had put in that bid, and Peterson told me there was no such man as Burke.

Q. Now, did he tell you, previous to the time that you formed the partnership with him, that he was in the employ of the Memphis and Saint Louis Packet Company, receiving 10 per cent. from them; and also that this man Burke was a myth?—A. He did not tell me then that he was a myth; I suppose it was a year afterward that he told me.

Q. It was not a year afterward before you took the contract?—A. It was a year after we got the contract before I asked him.

Q. You succeeded Burke, did you not?—A. Yes, sir; the Memphis and Saint Louis Packet Company was carrying it under Burke.

Q. Before you had any talk with Peterson as to who Burke was?—A. No, sir; not before.

Q. And yet you had letters from Washington inquiring who Burke was?—A. Yes, sir.

Q. And you knew that the Memphis and Saint Louis Packet Company was carrying it for Burke?—A. Yes, sir.

Q. And that Peterson was an agent or partner of that company receiving 10 per cent. from them?—A. Yes, sir.

Q. And yet you made no inquiry of him for over a year?—A. I didn't see him for eight or nine months or a year after we had put in the bids at the Department, and I did not think of asking him about it then. But I thought afterward of asking him about it, and I did ask him.

Q. How long after the bid was put in did you get the contract?—A. Several days.

Q. How long before the bid was put in was it that you knew that Peterson had received a percentage from that company?—A. O, I knew that before it was advertised.

Q. How long before the bid was put in had you received letters inquiring as to who Burke was?—A. I don't recollect. It was pretty near the time when the failures to carry the mail along the river commenced; the Department commenced then hunting up the contractor. He had never given any bond, as I understood.

Q. But it was more than a year before you made any inquiry of Peterson about him?—A. I did not say it was a year. I think it was the first time I saw him after I—

Q. Is not this true, that, at the time that he came with the letter from Governor Alcorn and told you that he was in the employ of that company, receiving 10 per cent., and when you and he talked of putting in a bid to succeed Burke as the contractor, that you talked about Burke?—A. No, sir; I don't think we did.

Q. Well, you had received those letters of inquiry before?—A. It was just about that time. It may have been afterward.

Q. Burke's failures were about that time?—A. Yes, sir.

Q. And as quick as they commenced you received those letters?—A. Yes, sir; that is my impression.

Q. And yet no question about Burke arose between you and Peterson?—A. Well, I didn't suspect Peterson of knowing anything about it.

Q. You knew that he was receiving 10 per cent.?—A. He told me about it at that time.

WASHINGTON, D. C., *Monday, March 6, 1876.*

J. M. EDMUNDS sworn and examined.

By Mr. AINSWORTH:

Question. What is your name, residence, and occupation?—Answer. J. M. Edmunds; I reside in Washington; and am postmaster of the city.

Q. How long have you been postmaster here?—A. Since 1869.

Q. Do you remember, in February, 1876, of approving or placing your certificate upon certain bonds filed by J. F. Reynolds as a contractor?—A. I could not say as to the day, but recently I recollect certifying to such bonds.

Q. State whether that is one of the contracts upon which you put your certificate? [Exhibiting the paper to the witness.]—A. Yes, sir; that is one.

Q. State, as near as you can, what number you certified about that time?—A. I cannot remember. They brought me in quite a lot of them, I could not say how many; I take no account of these; I make no record of them; there might have been thirty or forty, and there might have been more. My impression is that there was not a large number.

Q. Examine those, [handing the witness a package of papers,] and state the number of each one certified by you; [witness selects certain papers from the package.] Did you examine and certify the sufficiency of the bonds on each of these bids shown you by me at this time, and now in the possession of Judge Tyner?—A. Yes, sir. They all passed under my eye when they were executed.

Q. The certificate is that you have used due diligence to inform yourself regarding the sufficiency of the bondsmen. State what diligence you used, and what information you had regarding their solvency at the time?—A. Well, I had known Mr. Kittle two or three years, and knew from general report that he was a man of some means; how much, I do not know. It had been stated to me that he was worth twenty or

thirty thousand dollars. But I was unwilling to certify upon that without letters from parties who did know or who said they knew in regard to Mr. Kittle, and also in regard to the other surety, who was a man I did not know at all, and I required them to bring letters from parties of standing to certify as to the responsibility, both of Mr. Kittle and the other man.

Q. Have you those letters?—A. Yes, sir.

The witness produces the following letters:

“HOUSE OF REPRESENTATIVES,
“Washington, D. C., January 31, 1876.

“SIR: I am acquainted with Mr. A. G. Ryan and Mr. W. D. Kittle, and from my knowledge and their representations, I think them worth the sum of twenty-two thousand over their liabilities, and good for that sum as securities.

“Respectfully, &c.,

“W. W. WILSHIRE.

“To the POSTMASTER, Washington, D. C.”

“CITY POST-OFFICE, Washington, D. C., January 31, 1876.

“SIR: I have known Mr. W. D. Kittle for a year or two and believe him reliable, and that he is pecuniarily able to fulfill any obligation he may make.

“I am, respectfully,

“S. B. CONOVER.

“Hon. J. M. EDMUNDS, P. M., Washington, D. C.”

Q. Those were obtained for you at your request after the presentation of these papers?—A. Yes, sir; I declined to sign them without additional evidence.

Q. Explain to me how it happens that the papers are dated and executed February 1, and the letters which you solicited after they were presented to you are dated January 31?—A. That I cannot explain. This letter of Judge Wilshire was brought to me, and I think written after the contracts were brought to the office. My recollection of the matter is that Mr. Kittle brought these papers there for me to certify, and I declined to certify without some testimony from some member of Congress or other creditable person, and I think he produced both these letters after that.

Q. When the letters were produced, did you notice the fact that they were dated previous to the time at which you had asked for any testimony?—A. No, sir; I did not.

Q. Did you read the letters?—A. Yes, sir; I read them.

Q. But did not notice their date?—A. No, sir; I do not think I read the date.

Q. How much was the aggregate amount for which these men were liable upon these bonds?—A. That I do not know.

Q. Did you examine them?—A. No, sir; I did not.

Q. Did you make any effort to ascertain whether the aggregate amount was more or less than that for which the party was certified to you to be responsible?—A. No, sir; I did not. I looked at each contract as I signed it, to see the amount that was set opposite the sureties' names; and that question of the aggregate amount of the person's bids has been under discussion here for years.

Q. I was simply asking you if you looked to see whether they were responsible to the amount for which you were accepting them or not.—A. I did not undertake to ascertain the aggregate.

Q. Who made the application to you to approve these bonds?—A. My recollection is that Mr. Kittle made the application. There was another gentleman with him on one occasion, and there might have been on other occasions. I think there were some others at other days than this, but I am not certain about that.

Q. Did you mean to be understood that you at that time knew Mr. Kittle as a responsible party and a reliable, straight-forward contractor?—A. No, sir, I did not say that. I said that I had known him for a year or two, and that his reputation, so far I knew it, was that of a man of property.

Q. And a man of integrity?—A. No, sir, I did not quite answer that; and I was especially particular about that. I knew that he had had some difficulty about other bids in the Department, and refused to sign his bids when he brought them there until he brought me these letters.

Q. But when he brought you these letters which were antedated you had no suspicion that they were old letters?—A. Well, sir, it was only one or two days before, any way.

Q. But the letters were got at your request, I understand you?—A. I cannot say about the letter of Mr. Conover. The letter of Mr. Wilshire was not got at my request; it was got because I refused to sign the bids until some other testimony of this kind was produced. I told Mr. Kittle I could not sign them.

Q. Now, is not this the fact, that you signed the bids, not because of any solvency on the part of the parties, but because you were requested to do so by Senator Conover and Mr. Wilshire?—A. No, sir.

Q. Did you sign upon their statement, and not upon any knowledge you possessed?—A. I had no personal knowledge.

Q. Did you attempt to ascertain whether they had a dollar of property in the world?—A. I made inquiries in regard to Mr. Kittle; the other man was a new man, and I had no opportunity to make inquiry as to him.

Q. Of whom did you make inquiries?—A. Not at this particular time, but when he had this difficulty, I inquired of other parties whether he was a man who had any property at all. I do not recollect who they were.

Q. Did you, before approving these bonds, have any conversation with Mr. Tyner, or any other person connected with the Post-Office Department?—A. No, sir; I did not. I have no recollection of having any. In regard to these bids, do you mean?

Q. Regarding the acceptance of the certificate of this man's contract?—A. No, sir; I have no recollection of having any conversation.

Q. Or regarding the solvency of Mr. Kittle?—A. No, sir; I do not think I did.

Q. Did you make any effort to ascertain whether, in the Department, he had been acting squarely or not, or was considered responsible there?—A. No, sir.

Q. How far from the Post-Office Department is the place at which you approved these bonds?—A. It is in the same building.

Q. You could readily have obtained information from there had you sought it, could you not?—A. I could have ascertained what his standing was in the Department, I suppose. I knew that he had had some difficulty there, but never was aware that he had any contract which he had not fulfilled.

Q. Just give the date of the bond, as well as the date of your approval.—A. The bond of the sureties, you mean? This bond is dated the 1st of February, and the certificate is dated the 2d.

Q. And the only evidence you had was dated January 31?—Yes, sir.

Q. And you say that was furnished upon request, after the bonds were proffered to you for approval?—A. I say that the letter of Mr. Wilshire was, but I think the letter of Mr. Conover had been filed a day or two before, when I believe we had some other proposals. I think this letter was brought a day before, but I cannot recollect distinctly about that.

Q. Then you had that in your possession before the contracts were ever presented?—A. I am inclined to think that I took this off from my file; I have a file of this class of letters, but I cannot say positively as to that.

Q. And who furnished you that, do you think?—A. I presume Mr. Kittle, because it relates to him alone.

Q. For what purpose?—A. In order to induce me to sign; to satisfy me that he was adequate surety.

Q. Then you and he had a conference regarding the approval of his bonds before he presented them, did you?—A. Not that I recollect. He may have come in there and asked me what evidence I would require; I do not recollect about that.

Q. State why you think he filed the letter before he asked you to approve the bonds.—A. Well, he knew that I required evidence of this kind; every one that has had a proposal certified knew that I would not certify except upon written statements.

Q. Did you ask him what he was worth?—A. I do not know that I did.

Q. Where did he live?—A. That I could not tell you.

Q. Did you ask him if he had any property?—A. I did not ask him.

Q. Did you endeavor to ascertain whether either he or Mr. Ryan had any property, before accepting what you found in those two letters?—A. I took Mr. Wilshire's letter in regard to Mr. Ryan, and the two in regard to the other gentleman.

Q. But made no further inquiry?—A. No, sir.

Q. And one letter was filed before you were asked to approve the bond?—A. That is my impression. I think that letter was on file, but I am not positive as to that.

Q. Is that the usual practice with you in approving the bonds of men making proposals?—A. Where parties file a letter of a member of Congress, or of a Senator, or of a private citizen well known to me, I usually certify, unless I know of something that would prevent it, and I never have in any case. I have taken that as testimony on which I could found a belief after receiving the oath of the parties.

Q. That is construed by you as due diligence?—A. Yes, sir.

By Mr. CANNON:

Q. You spoke of the practice of the Department, or of the postmaster, in approving bonds, and in reference to the aggregate of the bonds. Explain what you mean by that.—A. I know I have discussed this thing in my own mind and with some other parties—but I cannot say when—as to whether it was my duty to consider the aggregate of bonds, and the question was up three or four years ago, when I had some dis-

cussion about it; and I finally reached the conclusion that I should not take into account the aggregate. A great many men bid on a large number of contracts, and I find that as a result of that they get very few contracts; and it has been my practice to certify the bids that were presented, where they satisfied me with such written evidence as to the sureties.

Q. That is, although you might believe that a man was worth only \$50,000, you would certify to him on bonds in the aggregate amounting to \$75,000 or \$100,000?—A. Yes, sir; I do that on proposals. On contracts it would be different.

Q. These are proposals?—A. These are proposals; yes, sir.

Q. Did Kittle bring these bonds to you when he first spoke to you about it?—A. I could not say as to that. He brought them and left them there while he came up for this letter of Mr. Wilshire; but whether he had spoken to me about them before or not, I could not say. He brought them there for me to certify, and I declined to do it without some additional evidence, and they were left there on my table.

Q. Let me see if I understand you. Mr. Kittle brought these bonds to you for your approval?—A. Yes, sir.

Q. The parties had made oath upon each bond?—A. Yes, sir; both the contractor and the sureties.

Q. I understand that you declined to approve them, and that he left the bonds in your possession, and went and brought back the letter of Judge Wilshire?—A. Yes, sir; my impression is that this letter was on file, but it might have been brought at the same time, and that only his name was mentioned in it, and Mr. Ryan's name not being mentioned in it, I declined to sign until he had some written testimony there in regard to Mr. Ryan.

By Mr. LUTTRELL:

Q. How long were these bonds in your possession before he brought these letters?—A. Well, long enough for him to come to the Capitol, I suppose. He went out and brought the letter; he might have gone an hour or an hour and a half or two hours—the same afternoon.

Q. That is, to bring the one of Mr. Wilshire?—A. Yes, sir. I may not be correct about this. He might have brought this in when he brought the proposals; but I have a distinct impression that I took this letter off my file. I may be wrong about that.

By Mr. CANNON:

Q. I will get you to state whether the blanks and bonds were filled, everything complete, except your signature, at the time they were brought there.—A. Yes, sir.

Q. All that was required, then, was your signature?—A. Yes, sir. I do not certify any bonds at all; all the other blanks are filled except my own certificate, and I sometimes fill them, but very seldom fill them myself.

Q. Do you know John F. Reynolds?—A. I do not, sir.

Q. Was he with Mr. Kittle when he came for your approval of these securities?—A. There was a gentleman with Mr. Kittle, and my impression is that he introduced him as Mr. Reynolds, but I cannot recollect positively about that.

Q. What kind of a looking man was he?—A. Well, I should say he was a man taller than you are—about as tall as Mr. Tyner, but rather a slender man. I recollect there being a gentleman with him, and my impression is that he introduced him as Mr. Reynolds; I did not take particular notice, as the certificate which I am required to give does not apply to the contract.

Q. Nobody came but those two?—A. There may have been other gentlemen with them. At the time these bonds were certified, there were frequently half a dozen contracts there waiting at the same time. I think there were but one or two when he was there; I may be mistaken about that. I know when he brought them in in the first place, there was a gentleman with him, but whether it was Mr. Reynolds or not I cannot say.

Q. Let me read this certificate to you: "I, the undersigned, postmaster at Washington, D. C., after exercising all due diligence to inform myself of the pecuniary ability and responsibility of the principal and sureties in the foregoing bond, and the real estate owned by them reespectively, do approve of said bond, and certify that in my belief the said sureties are sufficient to insure the payment of double the entire amount of said bond. I do certify that the said bonds were duly signed by John F. Reynolds, and Albert G. Ryan, and William D. Kittle, as sureties, before signing the certificate."

By Mr. LUTTRELL:

Q. Did you ask them any questions in relation to their real estate?—A. I do not know that I did. I did not see Mr. Ryan at all, that I recollect.

By the CHAIRMAN:

Q. You do not know whether that was Mr. Ryan or Reynolds that came with Mr. Kittle?—A. It might have been Mr. Ryan; I do not know Mr. Ryan.

Q. I say, it may have been him?—A. It may have been him, possibly.

By Mr. AINSWORTH:

Q. Do I understand you as swearing that he introduced him to you as Mr. Reynolds?—

A. That is my impression; I have not a distinct recollection as to it.

Q. He might have introduced him as Mr. Ryan, might he not?—A. I think not, as I should probably have recollected, because he was one of the sureties.

Q. But Mr. Reynolds being the principal, you would not be likely to recollect him?—

A. No, sir; I am not required to take note of the principal.

Q. The certificate says that you have inquired as to the solvency of the principal, does it not?—A. No, sir.

Q. This reads: "After exercising all due diligence to inform myself of the pecuniary ability and responsibility of the principal and his sureties." Did you ever read any of these certificates before signing them?—A. Yes, sir; I have read them a great many times.

Q. Did you make any inquiry as to the responsibility of Mr. Reynolds, the principal in this?—A. No, sir.

Q. Did you have no recollection as to whether he was introduced to you as the principal?—A. I am not positive as to that; no, sir.

Q. Did you have any conversation with any officer in the Department, either the Postmaster-General or his Assistants, as to whether you should approve bonds which, in the aggregate, exceeded the amount the men were shown to be worth?—A. I have not had, in relation to any of the officers that are there now, I think. The subject was discussed two or three years ago, and the general conclusion was reached that I could not take notice of the aggregate amount of bids.

Q. Did you ever call the attention of the present officers there to that fact?—A. No, sir; I do not think I have.

Q. Did you ever notify them that you had any confidence that the parties were responsible for the full amount for which they had become sureties?—A. No, sir; I do not think I ever did.

Q. And upon a certificate that a man was worth \$2,000, you would certify that he was good surety for twenty-five \$2,000 proposals, would you?—A. No, sir; I should not go, probably, to that length. These letters state that these gentlemen are worth at least \$22,000 over and above their liabilities; and on proposals I should certify without reference to the amount, if it did not run too large.

Q. Did you not state that it was only each one that you considered, and that if your certificates would warrant your certifying him for that one, you would certify for the others in addition, considering them only as distinct?—A. I stated, substantially, that I did not take into the account the aggregate of the bids, but that each certificate I made as it stood.

Q. Tell me the limit at which you would stop?—A. I could not tell you that.

Q. Did you ever stop?—A. I do not know that I have.

By Mr. McMAHON:

Q. How long have you been postmaster?—A. I have been postmaster six years.

Q. Have you been certifying these proposals ever since you were postmaster?—A. Yes, sir.

Q. What proportion of proposals have you certified in each year, probably?—A. I could not say. There is a great deal of such duty required here at this office, being a central office, and, as far as I could with reason, I have undertaken to accommodate people who were here from a distance.

Q. Have you ever certified without written evidence?—A. I did in the commencement, when I first went into the office, but afterwards I adopted the plan of requiring written evidence.

Q. How long have you been requiring written evidence?—A. I think since the change in the law, which I guess was in 1872.

Q. Have you preserved all that evidence?—A. Yes, sir; and I have got it all.

Q. You will be able to show, then, upon whose recommendation you certified a good many of these bonds that have turned out to be worthless, in case we wanted to overhaul them?—A. Yes, sir; I have got a large file of letters. I have no recollection of ever certifying to but one proposal upon which there has been a failure; that is, but one such has ever been brought to my attention. I have been reasonably careful, I think, and have always tried to bring the best judgment I had to bear upon the men when they were bidding, and I have had some business experience. This question came up soon after the present Postmaster-General came in, upon some bid, and I carried up my letters, and showed them to him, and he expressed the opinion then that I would have to give credit to letters from Members of Congress and Senators in regard to these matters; that it seemed to him that I should. Of course he did not attempt to control my judgment in the matter. That was a single case which occurred soon after Mr. Jewell came in, when I submitted the question to him.

Q. Whose case was that?—A. I do not remember. I recollect asking his views as to how far I would be justified in regarding such evidence as that, and he expressed the

opinion that I would have to be guided by it, but without saying to what extent as to the proposals.

By Mr. CANNON :

Q. Yet you were acting entirely independent of him ?—A. Entirely so.

Q. It was a mere casual remark upon your part to him, and a mere casual remark upon his part to you, was it not ?—A. Yes, sir ; it was not a decision to guide me or to undertake to control me. I wanted his judgment of that kind of evidence.

Q. He had no power to control you ; that is, as to that matter you had no official relations with him ?—A. No, sir ; none at all. I had always felt that this was an embarrassing duty imposed on a postmaster, without giving him any power to protect himself in any shape whatever ; and I have simply insisted on the condition of refusing to sign one man's bid and signing another, and have them turn around and say, "Well, you are inclined to favor certain bidders here." Therefore, I have exercised my best judgment in regard to these matters. Men sometimes get angry because I require a letter, even, and have charged that I was trying to favor one bidder as against another. All that is to be met, and it is a pretty delicate duty without any compensation, and without the means being put in the hands of the postmaster to make any thorough examination of the matter. These are the reflections that I have had upon the subject.

By Mr. AINSWORTH :

Q. I understood you to say that the conversation between you and the Postmaster-General was a merely casual one. Now, did you not take the letters and go there to consult him regarding that matter ?—A. I took one letter, I think, in some particular case. This was two or three years ago.

Q. And went there to consult him, did you ?—A. Yes, sir ; I went up there to see what his judgment would be on such testimony.

Q. And because he was Postmaster-General ?—A. Yes, sir ; probably.

Q. Did you never see Mr. Ryan ?—A. I do not know that I did.

Q. Did not Mr. Ryan call upon you and ask you at what time you approved those bonds ?—A. He might have done so, but I have no recollection of it.

Q. Didn't you tell Mr. Tyner that Mr. Ryan came to you after they were approved, and inquired of you if they had been approved ?—A. I have no recollection of telling him that, sir.

Q. And you have no recollection of ever having seen Mr. Ryan ?—A. No, sir ; I have not.

Q. You would be quite as likely to remember having seen him as you would be to remember that Mr. Reynolds was introduced to you, would you not, if he had come there and inquired regarding these bonds, after you had approved them ?—A. I think if he had come there, and I had known it was Mr. Ryan that was inquiring, I would be likely to recollect it ; but he might have come there without my knowing it was he. I do not know that I recollect that Mr. Reynolds was there ; I only say that I have an impression.

Q. Please give the description of him again.—A. If I am right in my impression, he was a tall, slender man, about like yourself, perhaps ; but I am not certain that he was there, or that he was introduced to me. I recollect that some gentleman came with Mr. Kittle when he brought the papers in.

By Mr. MILLER :

Q. I would like to inquire a little further in relation to conversation that you have had with the Postmaster-General. Do you remember whether the letters that you carried to him stated fully as to the pecuniary responsibility of the individual ?—A. No, sir ; I cannot recollect. The letters are generally of this character—the most of them, I think, stronger than this which I have handed in here to-night.

Q. Do you remember that the Postmaster-General suggested that you might waive any of the requirements of this certificate ?—A. No, sir ; I do not think he did ; I do not recollect that he did.

Q. That is, you understood him that you were to get information which would enable you intelligently and truthfully to sign this certificate ?—A. Yes, sir ; and I submitted the question simply as to whether such testimony ought to be taken, ought to be considered, was such as to enable a man to found a belief on it.

Q. You did not understand him as intimating that you might take testimony which would cover a part of the certificate, and not the whole of it ?—A. No, sir ; I did not. I do not think that part was discussed.

Q. All that you mean to be understood in relation to this conversation with the Postmaster-General, is that you talked with him as to the manner in which you obtained the knowledge on which you could sign this certificate, and not as to the amount of it ?—A. Well, in the first place, the old form of certificate required me to certify as to my knowledge. That I declined to do, and stated that it was not possible for me to have positive knowledge of this thing at all, and I would only certify as to my belief.

The Solicitor was called in to discuss the form of the oath. I was going to stop the work; I declined to sign as to positive knowledge, and then I think submitted a letter—one of these many letters that I have got, probably, as a sample of the evidence which would be turned over to me.

Q. You understood the Postmaster-General to say that where you had a letter from a Senator or a Member of Congress, saying that he knew the man to be responsible, that would cover all the requirements of this certificate; that on that knowledge you could sign it?—A. He expressed that as his opinion.

Q. I understood you to say that you had read this certificate often; is that so?—A. Yes, sir, I have.

Q. Do I understand that whenever you have signed such a certificate as this, you meant to sign it as to all the facts stated therein; you meant it to be true?—A. My impression has been that in signing this I was certifying to the sureties, and I have not noticed specially, until my attention was called to it here, that the principal is involved in this new certificate.

Q. How long has this certificate been in use?—A. That I cannot say. The form of the certificate was printed so that I or any postmaster was required to certify positively as to his knowledge, and in these certificates I had the word "belief" inserted.

Q. Have you read this certificate when you have been signing for this last letting?—A. I have read it repeatedly, but I cannot say as to this last letting.

Q. There are several points to which you certify in this certificate. The first is, that you have exercised due diligence to inform yourself of the pecuniary ability and responsibility of the principal and his sureties in the foregoing bond. Did I understand that you were doing that?—A. Yes, sir.

Q. Of the principal and his sureties?—A. No, sir; not as to the principal. I certified under the impression that I was certifying to the sureties.

Q. And then it goes on—"and of the real estate owned by them, respectively." Did you examine into that question?—A. No, sir; in regard to these bids, I have not.

Q. I am not talking about the principal now; I am leaving him out. Have you examined into the question of the real estate owned by the sureties, respectively?—A. I made no examination on that point.

Q. "And do hereby approve said bond, and certify that in my belief the said sureties are sufficient; and I do further certify that the said bond was duly signed by John F. Reynolds, and Albert G. Ryan, and William D. Kittle, his sureties, before signing this certificate." Did you examine that?—A. They were all signed before I signed the certificate.

Q. Were they signed by these parties; by the bidder and by the sureties?—A. I suppose so. The proposals are brought to me filled out in this way, with the certificate of the notary.

Q. But they were not present, or only one of them was, as you understand?—A. In this case, as I stated before, I am under the impression that no man was present with Mr. Kittle; but, ordinarily, principals do not come to the office at all; I do not see them. Many of these proposals are signed at a distance from here.

Q. You would consider that you were following this certificate and were justified in signing it, if there were three names in there, one as principal and two sureties, whether there was anybody present or not?—A. And witnessed and certified by the notary. All that is there before I sign. I take the certificate of the notary for the formal execution of the papers.

Q. You state that you had Senator Conover's letter when this bond was first presented?—A. I cannot say positively that I had. I say that my impression is that I took Senator Conover's letter off the file, but I am not certain as to that. It might have been brought there the same day that the certificates were signed.

Q. Mr. Conover is Senator from Florida, I believe?—A. Yes, sir.

Q. Did Mr. Kittle or Mr. Ryan ever live in Florida, that you are aware of?—A. Not to my knowledge; but Mr. Kittle was a contractor in the southwestern part of the country, where Mr. Wilshire would be like to be acquainted with him, and I suppose was acquainted with him then. I could not say as to that fact.

Q. The amount of diligence that you have exercised in this case is such as you have exercised in all similar cases, I suppose?—A. Yes, sir; it is substantially the same. In other cases where men have been unable to bring letters, I have required them to bring certificates from the books of the assessor—some statement of that kind.

By Mr. McMAHON:

Q. Are you familiar with the regulations in the Post-Office Department?—A. Some of them, sir.

Q. How do you construe section 277, which says, "Postmasters are to be careful not to certify the sufficiency of guarantors or sureties without knowing that they are persons of sufficient responsibility," * * * "a disregard of this instruction by postmasters is a violation of their oath of office, subjecting them to immediate removal?"—A. That question was raised by the Department and raised by myself, and I

declined to sign while the certificate required me to know, and the certificate was modified. That was a year ago.

Q. I did not know that there was a modification of this order?—A. I do not know that there is there, but there is a modification in the form of the certificate which would practically abrogate the order.

Q. Of course that relieves you so far as you certify only to your belief in that matter?—A. I refused under Mr. Creswell, while Mr. Giles Smith was the Assistant, and the form of the certificate was modified then; but they continued to use the old blanks, and the word "belief" was inserted.

Q. That word "belief" was put in before Mr. Jewell came in, was it—in Mr. Creswell's time?—A. They were put into hundreds of proposals in writing. When this new form was printed, which, I think, was this year, I noticed, when I came to sign bids for the present bidding—

By Mr. AINSWORTH:

Q. The form of the blanks was changed by inserting that word "belief" by reason of the conference between you and the Postmaster-General, if I understand you right?—A. I think it was; but this was a year or more ago, and my recollection is that the Solicitor was called in and his opinion taken as to whether that would be a good certificate with the word "belief" in.

Q. And it was upon the ground that you declined to certify as to men whom you did not know anything about?—A. Yes, sir.

Q. And the word "belief" was inserted, after a conference between you and the Postmaster-General, in order that you might certify upon letters which gave you no definite information?

Mr. McMAHON. The law only requires a certificate of belief, so far as that is concerned.

Q. If it was not inserted for the reason that you told the Postmaster-General that you were not in possession of sufficient facts to warrant you stating upon your own knowledge the responsibility of these men?—A. I told him that was simply impossible. I could not do it because I could not go and examine into every man's private affairs.

Q. And it was inserted to enable you to certify upon proposers who were not residing here, of whom you know nothing, was it not?—A. No, sir; I do not think that is a fair statement.

Q. I ask you that. Was it not that you might certify to the contracts of these men from a distance, these Texas contracts, or other contracts away from here?—A. It was to enable me to certify upon such evidence as I could found a reasonable belief upon.

Q. Did you, previous to the change of this certificate, certify for Sanderson, Huntley, Kinsley, Coffin, and others?—A. Yes, sir; I did.

Q. Inserting the word "belief"?—A. In most of the proposals the erasure was made; in some of them, where I had known the parties for years, I did not take the trouble to make the erasure.

Q. But in other cases you inserted the word?—A. Yes, sir. The change of the form of certificate was made under a former Postmaster-General, while Mr. Giles Smith was Second Assistant and Mr. Creswell Postmaster-General.

Q. It was made before Mr. Jewell came there?—A. Yes, sir.

Q. Was not the change in the printed forms made on account of a conference between you and Postmaster-General Jewell?—A. I cannot say. They did not consult me when this was changed. The first I knew that it was changed I saw the blanks.

Q. You did not go to the Postmaster-General and speak to him about it?—A. I did not ask him to change any blanks.

Q. And the Solicitor was not sent for in regard to it?—A. I had this conversation relative to the character of testimony on which I was expected and asked to certify.

Q. With whom?—A. With the Postmaster-General and with the Solicitor.

Q. With what Postmaster-General?—A. With the present Postmaster-General. But that was after we had been using the other certificates for two or three years.

Q. Had you ever had a printed certificate in the form of this until after that conference?—A. No, sir; I do not think I had. I do not recollect it.

By Mr. CANNON:

Q. Was there any special regulation made for you, which did not apply to anybody else, relative to the approval of these guarantees?—A. Not that I am aware of.

WASHINGTON, D. C.,
Monday Evening, March 6, 1876.

JAMES NICHOLAS CALLAN sworn and examined.

By Mr. AINSWORTH :

Question. State your name, residence, and occupation.—Answer. My name is James Nicholas Callan ; my residence is 354 Pennsylvania avenue ; my occupation is notary public and commissioner of deeds.

Q. Look at the papers lying before you, being proposals of J. F. Reynolds for routes in Florida, and state whether you have ever seen them before.—A. I believe I have. This one I know I have seen before.

Q. They are all the same ?—A. There were forty of them, on each of which I signed my name twice or three times. I see my seal on them here.

Q. State when it was ; what was the date at which they purport to have been done ?—A. They were made by me about ten o'clock in the morning, to the best of my knowledge, Tuesday, February 1st.

Q. Where ?—A. At my office, 624 Louisiana avenue.

Q. Who was present ?—A. When I came into my office I found four or five gentlemen there—four, I am certain—waiting for me. I remember the proposals were open in that shape, and piled up in that manner [illustrating] upon the desk. Mr. Kittle was one of the gentlemen ; I think Mr. H. H. Dudley was another ; a gentleman who afterward told me his name was A. G. Ryan ; and another one, I do not remember who it was. I am under the impression there were four there at the time. Before I got through signing them all several persons came in. It took me some time to do it.

Q. State whether Mr. Reynolds was there.—A. A gentleman who I was told was Mr. Reynolds ; I am not personally acquainted with the gentleman, and did not certify so in my certificate.

Q. Were you introduced to him ?—A. I was told that that was the gentleman, Mr. Reynolds, who had signed this bond, and that he wished to qualify to it.

Q. Did you administer the oath to him ?—A. Yes, sir.

Q. Was the oath administered to Mr. Ryan also ?—A. Before Mr. Ryan had the oath administered he called me aside and asked whether I could administer the oath to him in a particular way. He was not worth, he said, the entire amount of these bonds, but he was worth more than the amount of any one of them, and he would like me to so swear him as to overcome that difficulty—to swear him to one bond at a time. I told him I could do so, for I, at one time, a few years ago, had been on a bond myself, and then gone on another one, and both of them for more than I was worth, I thought. He was then sworn as he desired, so as to cover only the amount of one bond. I then remarked to Mr. Kittle that Mr. Ryan had had this conversation with me, and Mr. Kittle said, "I have letters from Mr. Wilshire and Mr. Conover that will satisfy anybody as to the validity of these bonds." Mr. Ryan, as soon as ever he was sworn, bade us good day and then walked out, and I went on and finished up the bonds.

Q. Was the oath administered to each of these parties as recited in these certificates ?—A. Yes ; to each of them as recited here.

Q. Can you state who told you that the gentleman who had signed the papers as Mr. Reynolds was Mr. Reynolds ?—A. Mr. Kittle.

Q. Do you know where Mr. Reynolds signed those ?—A. No, sir ; I do not.

Q. They were signed when they were brought there, were they ?—A. I am sure that Mr. Ryan signed them all, because he pointed out his name to me and went away. I did not see anything more of him. They were all signed when I got there. He said it was his signature, and after being sworn he left there, and his name appeared upon all the bonds as I signed them.

Q. Was Mr. Reynolds's name on at the time ?—A. Yes ; it was there when I gave them up out of my possession. I would not give a bond up unless it was complete.

Q. Was it there at the time Mr. Ryan said it was his signature ?—A. It must have been there, because Mr. Reynolds signed no papers in my office.

Q. State whether Mr. Kittle's name was also on the papers ?—A. That I would not like to testify to positively—that Mr. Kittle had signed them all at that time.

Q. But he had before they left your hands ?—A. Before they left my hands they were signed, sir ; I do not know that they were when he brought them, but I know when he left there they were all signed.

Q. Previous to their coming to you to have these papers acknowledged, had you had any conversation with any party regarding it ?—A. No, sir ; they seemed to be looking for a notary ; there were four or five in that neighborhood, but they found no one in except me, and I was not in when they came. When I came there they were waiting for me.

Q. Had you ever had any business transaction with Kittle prior to this ?—A. None that I know of. I have been under the impression since this thing happened, that as I was a commissioner for the State of Texas, I had taken his acknowledgment once

or twice to a power of attorney; I will not be sure—perhaps for Louisiana. It strikes me that I had seen the gentleman one or twice before.

Q. How long have you been engaged in business as notary public?—A. Since the 23d of last March as notary public.

Q. Was there anything in the appearance of these parties, or in their acts, while they were there, which would tend to excite, or did excite, any suspicion in your mind regarding the fairness of the transaction?—A. No, sir; when I saw the name of Albert G. Ryan I looked at a directory to see if there were two of that name, as I knew one man of that name and this was not the man. I looked to see if there were two of that name in the town, and I found there were. I have been very particular, because a great many notaries have been caught certifying to papers the parties to which did not appear before them except by proxy. I have therefore been very particular not to swear any parties appearing before me unless properly introduced to me.

Q. Will you describe Mr. Reynolds, as nearly as you can?—A. Mr. Reynolds, to my eye, was a gentleman of about medium height—as the postmaster [Mr. Edmunds] said—about your height, not any heavier. I think his hair was light, and his complexion florid, and I am quite sure that I caught his eye, and that he had blue eyes. That was the most striking feature that I noticed about him—the color of his eyes—blue eyes.

By Mr. MCMAHON:

Q. You said that those signatures—John F. Reynolds's—were all to those papers?—A. Reynolds's signatures must have been there, because he signed nothing after he came to me, and they were all perfect when he left me except the signature of the witness, Clark.

Q. To whom did you deliver the bonds?—A. To Mr. Kittle.

By Mr. LUTTRELL:

Q. Do I understand you to say that by the oath administered there, a man, if he were worth but \$2,000, could go on bonds as surety for \$25,000 and \$30,000, by swearing to each bond separately that he was worth \$2,000?—A. I do not interpret the law. My statement was this: that a man could swear to each bond that he was worth the amount of that bond. I am not one of the Government officers for the purpose of interpreting the law.

By Mr. CANNON:

Q. Were these bonds completed by you at one time—on the same day?—A. Yes; on the day that Mr. Ryan came with them. That was the day I finished the bonds.

Q. That is the first you saw of the bonds and the last?—A. The first and the last; yes, sir.

Q. You signed your name to each bond, then, three times?—A. Three times; yes, sir.

Q. And you would pick up one bond and complete it before you would go to the others, would you?—A. Well, very often we had them open in *this* way, and signed on *this* side, and would turn them over when they were dry, and would then sign them on the other side.

Q. Did you make a personal examination of each bond?—A. I did not think it my place, sir, when I saw the names were signed; the signatures were there; that is all I considered my duty.

Q. Did you read each bond?—A. No, sir.

Q. Did you read each certificate you made?—A. I filled them up in my own handwriting. There might have been one or two little ones that I did not. The blanks were very short; in one place there were only two lines, and in another only three and a half or four.

Q. How many rooms do you have?—A. Only one.

Q. How many inkstands do you have?—A. Some half a dozen, I think; three on my desk.

Q. The same kind of ink?—A. I do not think any two contain the same ink.

Q. Did you use out of the same inkstand, or different inkstands?—A. That depends a good deal upon circumstances.

Q. Well, when you signed these bonds, I mean.—A. I was some time signing them. I do not know that I signed them all with the same pen, even.

Q. I am now asking you about the ink. For instance, you would lay the bonds out in *that* way, and write this signature and that signature.—A. Yes, sir.

Q. And then, after those were dry, you would turn over the papers and write the other signature here.—A. Yes, sir.

Q. Now, I am asking you whether, on those bonds, for those two signatures, you used the same kind of ink?—A. I could not say that I did; for I know I locked up my desk at one time and went away, and afterward came back and finished.

Q. I am talking about that bond. Did you quit in the middle?—A. I cannot tell, sir; it is impossible to say.

Q. Can you say as to any of them?—A. I cannot; it would be impossible. Some of them would sign certificates on this side, and some of them—

Q. Now, take this bond that I have in my hand, on route 16104; I will ask you if your signatures which appear here are not in different ink?—A. I do not know whether the difference there arose from blotting this and not blotting that one, or not. I cannot say.

Q. You swear that you cannot tell whether it is different ink or not?—A. I swear that I cannot tell whether it is different ink or not.

Q. It does not look different now?—A. It does look different to me; yes, sir.

Q. When did this man Clark sign with you?—A. He did not sign until after I had signed.

Q. Was Clark there?—A. Clark was not there.

Q. Did you see Clark sign?—A. I did not, sir.

Q. You do not know whether he signed it at all, do you, except that there was some man by the name of Clark who appears to have been there?—A. I know that signature very well, sir.

Q. You are acquainted with Clark?—A. I knew him; he was a member of Congress from the State of Texas. I knew him when he was a general in the Army.

Q. I will ask you if Clark's name, there under your name, as a witness to this bond, the number of which I have given you, is not in the same ink that your name is signed with to the jurat on the third page of the bond?—A. Not that I know of, sir; for Mr. Clark did not sign that in my office. I do not know what ink he used.

Q. How long have you lived in Washington?—A. I was born where the Post-Office stands on Seventh street.

Q. You are an old resident here?—A. Rather old. I lived here until I went out in the Army in April, 1861, as captain of volunteers.

Q. How long have you known Kittle?—A. I have known him but very slightly. I do not know that I know him at all. I think that Mr Kittle has been in my office three or four times. I am now keeping an office. I went into the business of notary public on the 23d day of March. I went where I am now. Previous to that I had been five doors off, with my father. There I was in an office with him and my brother. But since that I have been in the office where I now am, and Mr. Kittle has had some friends in there, and has frequently come in, but I have had no intimacy with Kittle at all. I have seen him more since he came to see me last Tuesday evening, and stated that somebody had disputed my word, than, perhaps, I had ever seen him before in my life.

Q. What did he pay you for witnessing these bonds and swearing him to them?—A. He paid me 25 cents apiece.

By Mr. LUTTRELL:

Q. Did Kittle pay you?—A. Kittle paid me.

By Mr. CANNON:

Q. Not Reynolds?—A. No, sir; Mr. Kittle paid me.

Q. Be kind enough to state how you administered the oath to Mr. Reynolds in these forty-odd bills. Did you swear him in a lump or on each one?—A. I swore him in a lump.

Q. You are a careful, painstaking notary.—A. He did not ask me to do anything else. Mr. Ryan did.

Q. Did you swear Kittle in a lump, too?—A. Yes, sir.

Q. Was Clark's signature here at the time you signed it?—A. It was not; no, sir.

Q. The bond lacked that much of being complete?—A. The bond lacked that much. I do not know as it requires two witnesses—

Q. The bond lacked that much at that time?—A. The bond lacked that much at that time of being complete; yes.

Q. This was on the 2d day of February, I understand you?—A. No, sir; I think it was the 1st. I am guided in saying so by the date of these bonds. I cannot fix it in any other way.

Q. That is, your jurat to the bonds?—A. Yes; that is the only way I can fix the date.

Q. Do you recollect the day of the week?—A. No, sir; I do not.

Q. You said it was about 10 o'clock.—A. About 10 o'clock in the morning.

Q. How did you happen to recollect it was about 10 o'clock in the morning?—A. It was early in the morning. I had just got my breakfast and been up-stairs in the Pension-Office and come down.

Q. Did you look at the clock?—A. No, sir. I knew pretty well the time when I got my breakfast that morning, and I had only a square and a half or two squares to go to get to my office. I went there and found a letter on my desk, which the penny-post leaves there about 9 o'clock. I went up-stairs to see Mr. Babson and came down, and when I came down these gentlemen were there.

Q. Are you an attorney?—A. No, sir; I am not an attorney. I have been a solicitor,

and have a good many friends call upon me to do their business in the Pension-Office. I have had four or five cases as a pension-agent, but not as a lawyer.

Q. But you are not a lawyer?—A. No, sir.

Q. Did you ever see Reynolds before?—A. I never saw him before, and I do not think I have ever seen him since.

Q. Did Ryan use the same kind of ink?—A. He did not sign in my office. They were signed when he came there. If any person signed in my office Mr. Kittle may have done so, but nobody else did. Mr. Ryan told me this was his signature, and the name struck me as that of a gentleman, a painter, on Capitol Hill here, but I had not seen him before.

By Mr. McMAHON:

Q. Mr. Ryan acknowledged his signature?—A. Mr. Ryan acknowledged his signature to me at that time, and he did so also in the presence of Mr. Tyner last Wednesday.

WASHINGTON, D. C., *February 7, 1876.*

Capt. THOMAS P. LEATHERS sworn and examined.

By the CHAIRMAN:

Question. I would like you to state to the committee all the information that you have in regard to carrying the mails by contract with the Government on the Mississippi River, dating back from 1871 up to this time; what connection you had with them; what mails you have carried; whether for the Government or for other persons in the employ of the Government.—Answer. Well, I have not got the dates exactly; I can give you the outline of my course. I have been carrying the mails awhile for A. S. Mansfield. I have always done the work on my day, the day I run on, Saturday. I have carried the mails since 1868 for A. S. Mansfield; I have carried it for Cannon and Bell. I have carried it for Dr. Peterson, and I refused to carry it for J. B. Price three or four years ago and threw it up, would not carry it, and finally the Government contracted with me individually to carry it on that day. We believed, sir, in my profession that we could not get a mail-contract—that we did not stand well enough in Washington as southern men; that we could not obtain a contract, and we had to go to those who had the ears of men in power to get a contract, and on one occasion I gave my obligation that I would not carry the mail for any person, but one man, that was Dr. Peterson; he was to come to Washington and he might get the mail at what figure he saw proper, if he gave me a thousand dollars a month for carrying the mail on my day from New Orleans to Vicksburgh and back. The doctor had got it temporarily, and I had been carrying it for him for months. I do not know how long. He came to Washington, and the mail was awarded to Kountz, or Price, Tyne and Tupper. Dr. Peterson telegraphed me that Price had got the mail, and to throw it up. That was in 1871 or 1872. Kountz came here, I reckon, more as a mouth-piece than as a contractor. He had no capacity to carry the mail, but the men who did the work had not the ear of the Department here. I got my information from Mr. Dennison, who was Postmaster-General. We were boys together, and he told me that it would be impossible for me to reach the ear of anybody here; that I was booked there yet as a rebel, and could not get anything. I came here to obtain my pardon, and go to work again, as I could not take charge of a boat on the Mississippi River with anything booked against me as a disloyal man. I was pardoned by Mr. Johnson. I contracted with the Government then to carry it after Peterson threw it up, and Price could not carry it; they would not give me the mail for three months; they fought it off; but there were so many petitions, (for the most valuable mail was on my day, and they could not get any boat to carry it against me,) that they finally contracted with me to carry the mail, which contract had to run until July, 1875. Last July Mr. Draper bid for the mail, and Mr. Parker, I think, afterward took the contract, and he came down there and made overtures for us to carry the mail, but nobody appeared to take hold, and he could not get outsiders to carry it at all; so it was not carried for about two weeks. Mr. Terrell then came there and interviewed Captain Tobin and myself, and we agreed to carry the mail until such time as he could contract with other parties, and in September last Tobin got the contract for three years.

Q. You have been carrying the mails on your boats since 1868 and 1869, then?—A. 1868, I think, was the first; the contract of A. S. Mansfield. He became insolvent afterward, and Bell bought him out, and I sent Bell here and he would not get it in my name, and did not get it for me, but he got it in his own name, or the name of Cannon and Bell. He rather beat me on the contract, and beat me out of \$6,000 or \$7,000. Afterward they took the contract from me and I awarded him \$5,000 to give me over one-half of the contract, and get out of the fight, and I think this is the only contract

that we have had in our trade that has been legitimately obtained by the carriers themselves.

Q. I understand you that the first time you got a contract since you first carried the mail in 1868 was the 1st of September last.—A. No, sir; I got a contract to carry it on my day. Price got the contract to carry the mail three times a week, but he could not fill it on my day, and I would not take it from him, and it went on three months that way, and the Government made a separate contract with me on my day, to finish out that term which expired in June last.

By Mr. McMAHON:

Q. They were to pay you an additional sum of money?—A. Yes, sir; a little addition; I took it for \$10,000 per annum. Mr. Lowell advised me not to put in my bid for more money, and I took it for \$10,000 per annum.

Q. What do you carry it at now?—A. \$35,000 per annum, three mails a week. I carried it the one time for \$10,000, during the time of Price's contract.

Q. The route is numbered in this book 8006, from New Orleans to Vicksburgh, and I notice that in the bids of 1871 the contract was awarded to a man by the name of William Williams, at \$7,000, three times a week—that is, the contract was awarded, but not executed. Then, on July 30, 1871, it was awarded to B. H. Peterson, of New Orleans, July 1 to December 31, 1871, at the rate of \$37,500 per annum. Now, is that the contract that Peterson made with you to carry the mail?—A. That is the contract that we carried for Peterson, but I do not think his contract lasted but a little while. I then entered into a contract with Dr. Peterson, as also did the captain of the Bob Lee and the captain of the Katy, to carry the mail with him for a thousand dollars a month each boat, and not to carry it for anybody else.

By Mr. MILLER:

Q. He got \$37,500. That left him \$1,500.—A. I do not know what he was getting. That is what he gave me. I do not know whether he gave it to the others or not.

Q. At the end of six months, when it was re-advertised, who was the contractor then?—A. J. B. Price, though Kountz was his spokesman; but he was ostensibly the contractor.

Q. I notice he was the highest bidder when the contract was let originally, the 1st of July, 1871. The bidders were J. B. Price, \$38,000, and J. B. Price, \$36,900; then another bid, same parties, \$48,500, three times a week; J. W. Carlton, \$34,000; Thomas Casey, \$39,900. Do you know what Thomas Casey that is?—A. No, sir.

Q. Alfred Lee & Co., \$28,000; do you know who they are?—A. No, sir.

Q. Alfred Brobb?—A. No, sir.

Q. Cannon, Leathers, and White, \$25,000. That was your three boats?—A. \$25,000! Nobody was ever authorized to make that bid by me; that was a straw-bid.

Q. And \$37,500, three times a week?—A. Ah! twice a week, \$25,000. Yes, I suppose that is right.

Q. J. W. Carlton, \$26,000.?—A. I presume he is a nephew of J. W. Cannon; I think so.

Q. William English, \$23,000; \$38,000, three times a week. William Williams, three times a week, \$7,000, and the contract was awarded to him as the lowest bidder. How long did your contract with Price last?—A. The contract that Price had lasted until July, 1875.

Q. You carried the mail for him, then, for that time?—A. No, I carried it for myself. I contracted for it separately, on my day, \$10,000 per annum, but Price negotiated with the other two boats, the Bob Lee and the Katy. I don't know what he paid them; the Department contracted with me, directly. I appeared to be more stubborn than the rest.

Q. How did that happen?—A. Well, they could not get the mail moved against me; in other words, the compensation would not justify a steamboat that had nothing else to land for to land mails. We have thirty-six landings in that route, and the distance is 409 miles.

By Mr. STOWELL:

Q. As I understand, then, the Post-Office Department made a contract with Ross to carry the mail twice a week?—A. They made a contract with him to carry it three times a week, but he could not get it carried on my day, Saturday, and he had to throw it up; and the Department, I suppose, let him off on my day and contracted with me. There was a difference, I am told, between my price and the other boats' price. I charged more. I think they had it for less money. I do not know how much. They never would tell me. Then we all expired on the 30th June last, when Mr. Draper came in again.

By the CHAIRMAN:

Q. Then, in that way, you carried the mail from the time that Price began to carry it, until the 1st of July, 1875?—A. Yes, sir; I carried it three months without a contract.

Q. Peterson's contract, then, was the six months previous to that?—A. Yes, sir; as I told you here, we gave Peterson a power of attorney to take the contract for us and he agreed to give us that amount of money, and the boats were all at his disposal.

Q. How did you come to make a contract with Peterson?—A. Well, I did not think I could get a contract myself, and I wanted to carry the mail. I wanted my people served there as I was running, and we bound ourselves not to carry it for any outsider. Peterson said he had the inside track, that he understood how to pull the wires, how to sound the gong. I never came back to Washington after I got a denial from Postmaster-General Dennison.

Q. State what Peterson told you about that.—A. Well, he just told me that he had an inside track in the Post-Office; that he could do more than any other man outside of Washington; that he could control more contracts. He told me that he had a great many contracts.

Q. How did he control them?—A. I do not know how he controlled them.

Q. How did he tell you that he controlled them?—A. He never told me how he controlled them, only that he had an inside track here and could get more money. The Red River men told me it was no use, to go to Washington when Peterson was there; that he could get the contracts.

Q. Did he have contracts on Red River, too?—A. O, yes, sir, plenty; so I was told. I never saw them, but the Red River men so reported. He had a contract to go to the mouth of Red River outside of the packet-days, and a daily contract to the mouth, and also up the Red River. I think he ran a stage up the bank of Red River from Red River Landing.

Q. Did he own any boats in the river?—A. He never owned a boat that I know of.

Q. What do you know about Peterson?—A. Well, sir, I do not know much about him. I have come in contact with him very little; have had very few interviews with him. He is a contractor, that is, he plays between Washington City and the southern country down there with contracts, subletting them to other people. I should call him a floating agent, if I was to call him anything.

Q. After you gave him a power of attorney that was just previous to the bids of 1871?—A. Yes, sir. We had entered into a contract with him, and when he came on to Washington in July, 1871, we gave him, each of us, our obligation not to carry the mail for any outside persons, and gave him a letter to the Postmaster-General that he was our only authorized agent to visit Washington to get mail for those three boats.

Q. That was equivalent to shutting out everybody else?—A. Yes, sir; that was shutting out everybody else that came down there as an outside man to bid for the mail. We could not get it ourselves and we determined only to report to one fellow; we thought we could handle one better than we could handle the whole community.

Q. And you expected him to handle the contract?—A. Yes, sir; we expected him to handle the Government, and we would handle him.

Q. And the result was that he came back with this six-months' contract?—A. Yes, sir.

Q. How did he tell you that he managed these things here?—A. He did not tell me. He and I were not very thick in the matter, and he never opened any secrets to me about his power, but it was considered there that he was a big man at Washington in the way of contracts. Looked upon, as the children would say, as a bugaboo man; everybody else had to stand by.

Q. Did he have any other contract for carrying the mail?—A. I only know as he told me that he had a contract from New Orleans to the mouth of the Red River. That was three times a week by the boats that carried the Vicksburgh mail. We carried it three times a week.

Q. What did he pay you for carrying that mail?—A. Nothing. That was included in our business. It is on our schedule. I think he told me that he had a daily mail to the mouth of the Red River.

Q. I notice the route from New Orleans to Shreveport, 660 miles, and back three times a week by steamers, the contract for which was awarded to this same man Williams. He failed to carry it, and then the contract was entered into with B. H. Peterson for \$29,000 per annum; how was that mail carried?—A. I expect the Red River boats intercepted it at the mouth of the Red River.

Q. What boats carried it up to the mouth?—A. We always carried it on our day.

Q. Then you carried the mail for Peterson for his Red River contract and for the Vicksburgh contract, both?—A. Of course, we took all mails to the mouth of the river. All distributing mails went on our boats. It is about 220 miles from New Orleans to the mouth of the Red River.

Q. I notice a large number of mails from New Orleans. I will read over to you a number of routes and see where they go: New Orleans to Covington, 56 miles and back; that is across the lake. New Orleans to Monroe, 480 miles and back.—A. The Monroe mail now goes by Vicksburgh by the railroad. That is up the Ouachita. That goes up by the mouth of Red River.

Q. But the mail would be carried on the same boats as far as the mouth of the Red River

for that route also?—A. Well, for a contract for Monroe and New Orleans the Ouachita mail, I should think, would leave by the Monroe boat, but if there was anything outside for Red River or above Red River, they had a right to put in mail on us at any of these landings, and Red River is a large distributing post-office.

Q. Where is Saint Francisville?—A. It is now called Bayou Sara; it is on the Mississippi, but it is on the bluff.

Q. B. H. Peterson had a contract July 1, 1871, New Orleans to Saint Francisville; did you carry that mail? He had that at \$16,000 per annum.—A. No, sir; I think the Pike carried that—Captain Brown, the present contractor.

Q. It is right on the river; your boats land at that place?—A. Yes, sir; they carry a mail there also. The Saint Francis mail is Mondays and Fridays from New Orleans, then the Vicksburgh mail comes and supplies Baton Rouge, Bayou Sara, Plaquemines, and those places on Tuesdays, Thursdays, and Saturdays, so Bayou Sara gets five mails a week, three by our line and two by the regular Bayou Sara mail. There are from thirty-five to forty mails on the landings supplied by this boat, making two trips a week. Then we take up the regular offices, about thirty-three in number, from that to Vicksburgh three times a week. We could not run the service there with one line of boats. After we got by the cotton-district we could not afford to make thirty-eight to forty landings for post-office business. We would rather not carry the mail than do it. Our boats are too big, and when they are loaded they break for home, making only the town landings.

Q. I understand, then, that you carried the mail for Peterson during that time on the route from New Orleans to Vicksburgh, and also the mail from New Orleans to Shreveport as far as the mouth of the Red River?—A. I do not know that. We carried all the mail-matter that was offered on our day.

Q. Your three boats made the trip three times a week?—A. Yes, sir.

Q. It could have been carried in that way?—A. O, I have no doubt that that is the way it was carried to the mouth of the Red River.

Q. Then he gave you \$36,000 a year to carry the mail, the three boats, supposing the others got the same you did?—A. I presume they got the same.

Q. They carried the mail from New Orleans to Vicksburgh, and also the Shreveport mail as far as the mouth of the Red River?—A. Well, I could not tell you how much mail-matter they carried for Shreveport, but we carried all the bags that were offered. The Red River mail is always a very heavy mail, a very large distributing-mail.

Q. Well, if it had been put on your boat you would have carried it?—A. Yes, sir. We had no specified number of bags to carry to any office. We took all that were offered.

Q. And it was taken by the Red River boats at the mouth of the river?—A. Well, I should think so, but I would not like to say that; I know that we took Red River mail-matter to distribute at the mouth of Red River.

Q. Well, it could have been taken that way as well as any other?—A. O, yes; any amount of mail-matter.

Q. The mails below Vicksburgh could have been carried to the mouth of Red River without any additional expense?—A. Yes, sir; there is no post-office supplied by the Red River boat below the mouth of Red River, that I know of. Captain Blanks used to be the contractor to Monroe, but I have never questioned him, and I have never been up there. I have never had any occasion. If I had known what I was coming here for I could have refreshed my memory.

Q. I understand you to state as a reason why you did not try to contract directly, that you concluded you would stand a better chance with Peterson?—A. Well, I could not. I was under the impression that men who had been rebels could not get a contract here.

Q. Who made you believe that you would not be recognized by the Post-Office Department?—A. William Dennison, Postmaster-General, told me that I would have to make certain proofs of certain things before I could be recognized in the Department. It owed me before the war \$17,000 or \$18,000 for old services, which they have never made any appropriation for.

Q. You say you don't know much about Peterson?—A. No, sir; I never had an opportunity to know much.

Q. You do not know whether he is a man of property or not?—A. I never heard of his having any property; I heard that he lived on Magazine street, New Orleans, but I do not know that; I never saw his family.

Q. You are certain that he never owned or commanded a steamboat on the river?—A. I am certain that I never heard of his owning a steamboat or a piece of one. He never owned anything in my trade, nor in the Bayou Sara trade.

Q. Where is he now?—A. I do not know. I saw him in New Orleans some two months since.

Q. Does he live in New Orleans?—A. I do not know, sir.

Q. Did he live there then?—A. He lived there a year or two ago—it was so said. I brought a suit against him to get a settlement, and I never could get a settlement; but I met him and did get a settlement.

Q. Well, he represented to you that he was the only man that could get contracts out of New Orleans on the river?—A. Well, he had a bigger inside track here than anybody else.

Q. He seems to have had a good many contracts, and produced that impression on a good many; I want to know how he did it?—A. Well, now I tell you honestly, I only took what everybody said for an ultimatum, that he was the most able man here, and that he had more influence with the Department than anybody else. That was the reason that I hung to him. I was not going to send a limber piece here if I could find a good strong one.

Q. What did he give you to understand that he meant by having the inside track?—A. Well, it was, as we understood everything down there, that he was a fellow that had the inside track here—that had favors extended to him, I presume. I do not know why. I reckon that his word would go further than anybody else's, and his bids would go further than anybody else's. I do not know any other view to take of it. He was introduced to me as a man that had great influence with the Post-Office Department in Washington.

Q. Who introduced him to you in that way?—A. That I could not tell you. It has been several years since. Some steamboat-man; it was in everybody's mouth among steamboat-men. Capt. J. J. Brown, of the steamboat W. S. Pike, worked for him two or three years, and the Red River men all worked for him.

Q. You said somebody, you and other steamboat-men, came to Washington; what time was that?—A. No, I did not come here. Captain Cannon came here and some other steamboat-men.

Q. In the contract that Peterson made with you, what was to be done about the fines and deductions?—A. Well, of course, if we were fined, the boats would have to stand that. The man that was fined would have to stand the fine. Each boat pays her own fine.

Q. What time did the delegation of steamboat-men come here in 1871?—A. I cannot tell you when they came, nor how many came; but I know that Captain Cannon came here, and I think Captain Brown came. I would not be positive. I could not tell you how many came, nor who they were. I was rather on my own hook, and was fighting against the rings generally.

Q. Then they did not represent you?—A. No, sir; nobody represented me at all. I was never represented here but by Peterson, and I would not have been represented by him if I had not known that he was a powerful fellow.

Q. I understand you to say that the three boats you have named are the only three boats running regularly in that trade that you are in?—A. Yes, sir; the three mail-boats. We are running a spare boat this winter. Captain Tobin runs the Katy as a spare boat to carry the surplus; and the Bob Lee and the Natchez run a spare boat to carry the surplus that they could not carry themselves.

Q. You say you do not know what the other boats were paid by Peterson for carrying the mail?—A. I do not.

Q. Do you know whether the other two boats carried the mail to Red River Landing?—A. Yes, sir; they all carried the mail there.

Q. I mean the Red River mail?—A. I don't know. They carried all mail-matter that went out with them.

Q. Were there any other boats that went out regular days, landing regularly at Red River Landing?—A. No, sir; sometimes Red River boats would go with us, and sometimes they would not. I do not know of any regular route-boats there.

Q. And that is the reason, you suppose, that yours and the other boats carried that mail, because they went regularly three times a week?—A. Yes, sir.

Q. In your contract with Peterson was anything said about carrying that mail to Red River Landing?—A. No, sir; nothing.

Q. Was there a written contract between you and Peterson about it?—A. Only a contract to do the work for so much money—not binding him further. If he could not get the mail of course we had to throw it up. If he turned us over to other hands, we had to meet the antagonist as he came; we did not care how he came so that he came in the shape of a boat.

Q. Do you know whether the boats ran in connection with the stages from Red River Landing?—A. Our boats did, and do now always.

Q. That is one reason why you suppose you carry that mail?—A. Yes, sir.

Q. Do you know any necessity for a contract outside of the New Orleans and Vicksburgh contract for carrying the mail from New Orleans to Red River Landing?—A. No, sir; there was no mail carried there only what the packets carried.

Q. Was there any necessity for any other mail-line?—A. No, sir. We carried the mails three times a week to Red River Landing; I do not see any necessity for any other contract. It was the same service that all the post-offices above got, Natchez, for instance, one of the largest and most isolated towns.

Q. Have you ever had any talk with Postmaster-General Creswell or Jewell or Denison in regard to the middle-man, Peterson, or any other middle-man?—A. No, sir;

only last winter when I was here in February, when the awards were made. I have never been here only that time to talk to the Postmasters, when I came as a bidder myself. My bidding three years ago was done by Mr. Lowell. When I threw up the mail and would not carry it then the Postmaster-General telegraphed to Mr. Lowell to get the mail carried by a responsible party on Saturday, my day, and Mr. Lowell sent for me and showed me the telegram; and I told him I would make a bid if he would give me a proposal in writing. He did so, and I took the contract and the contract was sent out and signed there in New Orleans. We carried out that contract until last February, when I came here and got a contract with the Government. We came here, Captain Tobin and I, and we found we were too high; our bids were higher than Draper's.

Q. How did you find out that you were too high?—A. They were read to us in the Post-Office; I did not know Draper, and I told Mr. Jewell we were determined not to carry the mail for middle-men. That was our intention. I think Draper's was a straw-bid. I do not know that there is such a man. I told Mr. Jewell that we would throw it up in July, and we did throw it up. I told him that, and that the men who took contracts in Washington and sublet them out there I never found were very anxious to pay.

Q. Didn't you get your money from Peterson?—A. He was about the only one I did get it from.

Q. Didn't you from Price?—A. I did not carry it for Price. I carried it for Mansfield, and for Cannon and Bell, and I never got a settlement with them.

Q. The only visit you paid to Washington was last winter?—A. Yes, sir; about the only visit. I came here in September again and closed the contract.

Q. Who is Mr. Lowell?—A. He was the postmaster at New Orleans.

Q. Is there anything that you can tell this committee that you have not stated about this straw-bid arrangement, the manner of their making and executing contracts on the Mississippi River; anything in regard to that?—A. Well, if I were to tell you anything I should only tell you from observation, my idea of it. I could not put my hand and swear to anything about straw-bidders. I think it was a link of men together—Price, Peterson, and others. It looked so to me. I think they might put in twenty bids, those men that you read off. I know if there was a man able to carry the mail in my trade, I would know him as a steamboat-man. It looks to me as if it was a link of men together.

Q. Did Price own any boats?—A. No, sir; not on the Mississippi. I understood he owned a little boat on the Teche, down there at Saint Martinsville. He owned nothing in our trade.

By Mr. SLEMONS:

Q. You spoke of a stage running up from the mouth of Red River. Is that country overflowed so that the stages do not run regularly?—A. Not now; it was in the spring; it will be in a short time now; all the bottom-lands are now threatened with overflow.

By Mr. CANNON:

Q. I understand that you were here first in 1865, after the war?—A. Yes, sir.

Q. That was before you were pardoned?—A. Yes, sir; at the time I came here to get pardoned. That was the time I saw Postmaster-General Dennison.

Q. Were you pardoned at the time you saw him?—A. Within a day or so.

Q. Was it before or after you were pardoned that you saw him?—A. I could not tell exactly. I came to see Mr. Dennison first, and then before I went away.

Q. Were there any advertisements for mail-service at that time?—A. No, sir; I had nothing in the world then in the shape of a steamboat. There was no mail-matter by steamers before two or three years afterward. The boats carried the mails, but there was no contract.

Q. You did not propose to Postmaster-General Dennison to take temporary service, or any other?—A. No, sir; but I came to get back pay that was booked to me. He said it never could be done for rebels like me.

Q. That was referring to work done before the war?—A. Yes, sir.

Q. Not referring to contracts in the future?—A. No, sir.

Q. You commenced carrying the mail in 1868, you say?—A. In 1867 or 1868, I think. It was through A. S. Mansfield that I then carried the mail. He was a partner of Oakes Ames, and, I think, may be, of General Butler. Oakes Ames telegraphed me to come here and take the mail. I had a boat then—the Magenta. Mansfield, at the time that he took the mail-contract, didn't have any boat. He bought an interest in the steamboat Magenta, that I was running, and came here to get the mail.

Q. You and he had a talk about it?—A. O, yes. He came here to get the contract for the boat, but he gave it up in a short time.

Q. So far as you and he were concerned that contract was all straight; you owned the boat together?—A. Yes, sir; he owned an interest in the Magenta and a part of the Bob Lee.

Q. Whom did you next carry the mail for on that route from New Orleans to Vicks-

burgh?—A. Jesse K. Bell bought out Mansfield in the Magenta, and he came here and took the contract in the name of Cannon and Bell.

Q. Then you ran the boat in connection with Bell?—A. Yes, sir.

Q. Do you know whether Bell got his contract at a regular letting?—A. I don't know, but he got it.

Q. How long did you and Bell carry it on the Magenta?—A. I carried it part of the season, and I changed my interest in the Magenta for that in the Quitman, and I ran her and sank her. After that they took the mail from me.

Q. You hadn't anything to carry it with?—A. Yes, sir; I got another boat next day.

Q. Bell still had the contract when the Quitman was sunk?—A. Yes, sir.

Q. Bell then carried the mail on other boats than yours after the Quitman was sunk?—A. No; I chartered the boat and carried the mail after the Quitman was sunk. He took it away from me one week, and then let me have it back.

Q. Bell was still interested in steamboats, was he?—A. Not with me; I think he was in some way with the Bob Lee, but I cannot tell you that.

Q. He was a steamboat-man on the river, was he?—A. No; he was a commercial man.

Q. A commercial man, not running steamboats himself, but getting others to run them?—A. Yes, sir.

Q. Who is Cannon?—A. He is a steamboat-man, the owner of the Robert E. Lee; he and Mansfield and Bell were operating together, I think.

Q. That brings it down to 1871?—A. No; 1868. Bell and Cannon got a contract that ran from 1868 to 1871. I would not swear to dates now. The secret was this: that Bell bought an interest in the Magenta for Bell and myself, from Mansfield, but he took it in his own name, and he came here to get a contract for the two boats, and I paid my pro rata of \$500, and after I sank the Quitman I found that he had bought the boat in his own name, and he owned the boat. He had not bought any interest for me.

Q. He had not treated you fairly?—A. Well, I did not consider it wrong, because I ought to have known the man better.

Q. Then you and two other men appointed Peterson your agent?—A. That was to get another day on. We had been carrying two mails a week, what we ought to have had, and which we used to have before the war three times a week. James White captain of the Katie, wanted the mail for the Katie, and I wanted to see him get it. Captain Cannon, of the Lee, wanted to get it, and I wanted him to get it also for the Natchez, and we agreed, in 1870, that Peterson should be the only agent to come to Washington to act for Cannon, White, and myself. I gave him an obligation of honor not to carry the mail for any middle-man outside of Peterson.

Q. You also wrote a letter to the Postmaster-General that he was the only authorized agent that came to Washington to bid for those three boats, and that you would not carry it for anybody else?—A. Yes, sir.

Q. Then you four folks made up a little ring?—A. Of course we did. I had to work for somebody, and I wanted to know what I was going to work for, and I told him we will carry this mail for \$1,000 a month each, and we don't care what you get it at. That I had nothing to do with, because I knew that I could not get it at all.

Q. You were to get so much pay, and for his compensation he could get whatever he could outside of it?—A. Yes, sir.

Q. Did you state in this letter that you wrote to the Postmaster-General how much you were going to charge?—A. No, sir; I don't know that we did so; but I said that to Peterson, "We will do your work for \$1,000 a month, and you can get what you please."

Q. You say you knew that you could not get the contract?—A. Well, I thought I could not.

Q. Didn't you know that you had a right to bid at that time on all contracts?—A. Well, I had the right to bid.

Q. And didn't you send Peterson here to bid?—A. Yes, sir; but Peterson was not me nor my partner.

Q. Then you did get the contract for carrying the mail under that arrangement through Peterson?—A. He got it.

Q. How long did you carry the mail under that arrangement?—A. I think about five, six, or seven months, temporary service.

Q. There was a new advertisement; did you bid at that new letting?—A. No, sir; Peterson bid for me.

Q. Why didn't you bid?—A. I thought it was idleness to bid.

Q. Had you ever read the postal laws?—A. I didn't give a cent about reading it. I knew what I had to work under down yonder. Your laws up here and those down there are very different.

Q. In reference to post-office matters, are they different? Have you read them to see whether they are different?—A. O, I didn't want to read them. I am no lawyer.

Q. How do you know that they are different?—A. Well, I never tried to get contracts.

Q. You never tried but two since the war?—A. Well, I have seen so many of my friends try, and come back with pockets empty, that I hadn't the money to spend.

Q. Yet you bid for a contract in 1871 and got it?—A. Yes, sir; after I fought three months for it. That was the only time that I could make the fight. I was not able to make the fight before.

Q. Peterson, in 1871, at the regular advertised bidding, did not get the contract?—A. No, sir; Price got it.

Q. Peterson turned in and telegraphed to you not to carry the mail because Price got it?—A. Yes, sir; that is it.

Q. In pursuance of your agreement, you would not carry it?—A. No, sir.

Q. Do you know how much Price was to get?—A. No, sir; I do not. It must have been a lower rate than Peterson bid.

Q. And you concluded that you would not carry the mail for him and thereby run him out?—A. No, sir; I didn't want to run him out; but he had to come to my terms. If he had given me what Peterson was giving me, after I got released from Peterson, of course I would treat with Price.

Q. You appear to have bid at that letting in 1871?—A. He may have put in a bid in our name.

Q. If the bid was put in in your name in 1871 for \$25,000 twice a week, Peterson did it, did he?—A. I did not put it in for \$25,000.

Q. Now, what I want to know of you is, whether you individually, with those two parties, subscribed your name to that bid and put it in, or whether it was put in through Peterson in pursuance of this authority that you had given him before that?—A. It was put in by Peterson, I think. If my recollection is right, he came here with that document from T. P. Leathers, John W. Cannon, and J. M. White. He came with the document to the Postmaster-General that he was the only authorized agent that would come to Washington to represent those three boats.

Q. This bid of Cannon, Leathers, and White, did you not sign it yourself and get the guarantees, and give the bid to Peterson to put it in for you?—A. Well, sir, if I signed it I have forgotten it. I don't think I ever bid for the mail in my own name, until I came here myself; and as for that \$25,000 bid, I cannot recollect anything about it.

By Mr. McMAHON:

Q. Your three boats could not carry the mail twice a week very profitably?—A. No, sir.

Q. How long after this was it before you got the contract yourself?—A. That contract went into effect, I think, some time in July, maybe, or maybe it was in January, and I didn't get a contract for three months. After the other boats had agreed to carry it for Price, there were no mail-bags carried on my day for three months. In other words, the postmaster recommended all letters to be put on board the steamboat Natchez; he recommended merchants to put their distributing mails on the Natchez, and I would distribute them; which I did.

Q. But you were not getting any pay for that?—A. No, sir; I tried to afterward.

Q. So that they found out, when Price failed, they could not do any better than to employ you; so the Postmaster-General made a proposal to you?—A. I could not reach the Postmaster-General here; it was three months before I could get a proposition out at all. He would not agree, until the three months was up, that he would contract again. It is out of the usual course to give one man a mail to himself.

Q. But finally they could not do any better, and in order to get the mail carried they did contract with you?—A. Yes, sir; with me directly. That was up to the 1st of July.

Q. You make the trip once a week?—A. Yes, sir; a round trip.

Q. Well, it is your duty to carry all the mails where you stop?—A. Yes, sir; all offices from Bayou Sara to Vicksburgh, two hundred and forty or fifty miles, and we bring in on a trip the town-landings, Plaquemines, Baton Rouge, Port Hudson, and Bayou Sara, and then we take up local offices on each side of the river and distribute them out to Vicksburgh.

Q. But I understand you to say that on part of the route there is a lot of small offices that a large boat like this could not stop at, and they had to have small boats.—A. General Clark was asking me about the Saint Francisville mail and below. I say there is service below Bayou Sara that we cannot do; we cannot do the work. Bayou Sara is in the sugar district, and above it is cotton. Now, our routes are concluded when we get from Bayou Sara down. The mouth of the river is about fifty miles below Bayou Sara. There are about thirty-odd offices there that we do not touch. They call them local offices, and the Vicksburgh mails do not touch them at all; they only touch the towns.

Q. Who does touch them?—A. That is the Bayou Sara mail. It leaves a day ahead of us; what they call the coast mail. Our service comes Friday and Saturday, and the Bayou Sara intervenes between.

Q. There is a route from New Orleans to Shreveport, six hundred and sixty-five miles and back, and proposals invited to extend service to Jefferson, Tex. Do I understand you to say that the mails on that route were not carried from the mouth of Red River to New Orleans?—A. I said I did not know that. I said that we carried all mail-matter to that landing that was sent on our day.

Q. That is your duty, under your contract?—A. Yes, sir.

Q. You do not know, then, of your own knowledge, whether the mails are carried from the mouth of Red River or not?—A. No; I did not say that I knew that. A boat running to Red River would have no point to go to unless she ran to New Orleans. She would not have any point of business; she would have to come to New Orleans.

Q. It would take a pretty good line of steamers to make tri-weekly trips from Shreveport to New Orleans?—A. It would take a good many boats.

Q. There was no such line as that?—A. I do not know. There are fifteen or twenty Red River boats.

Q. You simply do not know whether that service from Shreveport to New Orleans was performed or not?—A. O, I never was up the river in my life. I do not know anything more than you do. We run in connection with the stage lines now.

Q. Is there a part of a year that they run the steamer up the river?—A. They run the most of the year.

Q. Well, don't they carry that mail on the steamers?—A. I do not know.

Q. There is another: New Orleans to Saint Francisville, one hundred and seventy miles, and back?—A. That is the regular mail that is running out from New Orleans to Saint Francisville, now known as Bayou Sara.

Q. You do not know whether the service was performed on that route there?—A. Yes, sir; it was performed there by the steamer W. S. Pike, Captain Brown. He is now running the steamboat Governor Allen. He carries it Tuesdays and Fridays out from New Orleans, and carries what they call the coast line.

Q. In reference to this New Orleans and Shreveport route, state whether it is not true that it would be impracticable to run a boat at any reasonable price to carry the mails merely, in the trade from the mouth of Red River to Shreveport, not having any connection with New Orleans.—A. I would not suppose she could carry a mail there unless the mail would pay for her services pretty much. The terminus of all trade there—cotton trade—is New Orleans, excepting up the White River, or up the Yazoo.

Q. How far is Saint Francisville or Bayou Sara from the mouth of Red River?—A. Fifty-two or three miles. Bayou Sara is below the mouth of the Red River.

Q. Do you know how long the service has been on those different routes?—A. It was in 1867-'68 that the service was put on, after the war.

By Mr. MILLER:

Q. From New Orleans to Vicksburgh, in what year?—A. Either in 1867 or 1868.

Q. Was it put on in the same year from New Orleans to Saint Francisville?—A. I think so, sir. My idea is that they were put on at the same time, though there might have been a mail below earlier. I could not be positive.

Q. I have understood that they have been increasing the service in that region, and I did not know but part of this was put on at one time, and part some other time.—A. No, sir; this service was established in 1852 or 1853. I was the first contractor for the mail there, and carried it up to 1862. Then, when the contract was annulled by Congress here, I carried it for the confederate service until the fall of New Orleans.

By Mr. CANNON:

Q. Peterson claimed, of course, when he got you to make him your agent along with those other parties, that he understood all about it, and had the inside track, and you believed him, and hence made him your agent?—A. He told me he could represent me better than anybody else, and he could get more money for it, and everybody else told me the same thing, and I had a right to believe him.

Q. For that reason you employed him?—A. Of course. I wanted to employ the best agent I could.

Q. Did you have it from the Department, or from anybody at Washington in the Department?—A. O, no, sir; it was only steamboat-men themselves.

Q. He told you at the time that he wanted you to make the contract?—A. Yes, sir. I was introduced to him for the purpose of seeing whether I could get the contract.

Q. Did you seek an introduction?—A. I think it was mutual. He was a large contractor, and he told me that he had big influence, and all that sort of thing, and, of course, he was the man I wanted.

Q. You say that Price had no interest in a steamboat except in one little boat?—A. None that I know of on the river.

Q. Do you know whether other parties made Price their agent as you made Peterson your agent?—A. I do not know whether they did or not.

Q. Cannon, Bell, and Brown, are they in those mail-contracts now?—A. Cannon is now one of the contractors, but Captain Cannon and I are not very friendly, and we do not talk.

Q. You say when you came here last winter and your bid was opened, that you found your bid was higher than Draper's?—A. Yes, sir.

Q. Did Draper enter into a contract?—A. That is what I understood, that his bid was accepted.

Q. Yet you did not know Draper?—A. I never saw him.

Q. Did he perform the service?—A. No, sir.

Q. When he did not perform the service, then they had to get you to do it?—A. They did not get me. Then there was no service performed for two weeks, then they got me for temporary service until they could re-advertise. I was down there, and I contracted there with Mr. Terrill, assistant postmaster there.

Q. How much are you getting now for that contract?—A. I agreed to carry it at the same rate at which we had carried for the previous year, for three months, until it could be re-advertised.

Q. Did you put in a bid on the re-advertisement?—A. O, yes, sir. We got it. We were the only bidders that time. We have contracted now for \$35,000 per annum. We divide the \$35,000 between the three men. That was the only bid that was put in for the service.

Q. That is about what you have been carrying it for before?—A. About.

By Mr. MILLER:

Q. What is the name of the post-office at the mouth of Red River?—A. Red River Landing.

Q. When you were carrying for Peterson, did you put off mail-bags for Shreveport there?—A. I could not tell you unless I was posted. I do not know. We have now a distributing post-office on board the steamer. We may take fifteen or twenty bags. They may send a bag or two or three bags for Red River Landing, and it is the route-agent's duty to distribute this mail himself.

Q. Was that the case when you first carried the mails for Peterson?—A. Yes, sir; wherever we had a mail we have had a route-agent on board.

Q. Do you know the distance from the mouth of the Red River to Shreveport?—A. No, sir; I have never been there. They call it about 450 or 500 miles.

Q. It is about the same distance as your route from New Orleans to Vicksburgh?—A. Yes, sir.

Q. You spoke about a conversation that you had with Mr. Jewell when you were here?—A. O, that was in conversation with Mr. Jewell about the mail service; that was all. We were speaking about Draper, and I only told Mr. Jewell that Draper would certainly have to do the work, and I did not know any capacity that he had on the river to carry the mail; but Mr. Jewell brought in his adviser and read the bids, and it was determined—it could not be otherwise—to accept the lowest bidder. He proved to be a man that did not come to the front at all.

By Mr. STOWELL:

Q. Then, as I understand, when Draper did not come to the front, you performed the service temporarily for three months?—A. Yes, sir; the mail was thrown up by us two weeks. Mr. Jewell sent Mr. Terrill to New Orleans, and we agreed to carry it two or three months for the Government at the old rates, to give time to re-advertise, and then, after that new advertisement, we became the bidder.

Q. Does that bid stand in your name?—A. We bid in the name of Leathers, Tobin, and Cannon; they represent and own the three boats, and the contract is now in their name.* We agreed to carry it for \$35,000, three times a week and return, and we divide the money between us. That contract lasts until July, 1878. When it came down to the scratch I think our bid was the only one.

By Mr. MILLER:

Q. Do you know whether the Saint Francisville boat supplies all the local post-offices below the mouth of the Red River?—A. Below Bayou Sara. She supplies all the offices between there and New Orleans.

By Mr. STOWELL:

Q. You say that when this other man put in his bid but did not perform the service you performed temporary service, and the Postmaster-General said he had no authority at the time to give it to you because the other man was the lowest bidder?—A. Yes, sir.

Q. Did he seem anxious to make the arrangement with you provided he could do it?—A. Well, I thought Mr. Jewell was anxious enough to arrange with competent men.

Q. In other words, he wanted to arrange with steamboat-men?—A. Yes, sir; I thought he wanted steamboat-men.

Q. He appeared anxious to get rid of this other man?—A. I thought so. He always talked to me that way, like a gentleman, very fair. I think he is a man who has been trying to make the best contracts he could.

WASHINGTON, February 8, 1876.

JOSEPH S. CARRELS sworn and examined.

By the CHAIRMAN :

Question. Had you any connection with the Post-Office Department, as a special agent, at any time between July 1, 1871, and 1875?—Answer. I was a special agent from the 1st of July to the 1st of April, 1875.

Q. Were you put on any special duty, during that time, to investigate any of Peterson's routes on the Mississippi River?—A. Well, I cannot say that I was. I was a special agent in the money-order service exclusively; but I was sent twice on the Mississippi River to Greenville, and to Skipwith's Landing, to investigate the money-order business at those two points which are between Vicksburgh and Memphis, and at those points, while I was there, I was very much impressed with the delay of the mails, particularly at Greenville, the boats very frequently not stopping there for sometimes as much as ten or twelve days; and in my report to Dr. McDonald, the superintendent of the money-order department, I mentioned it, and he suggested to me, when I went down again, to investigate those matters. It being entirely out of my line, as a money-order special agent, I had nothing to do with the service on the river at that time, and I did not go down again, and I made no special investigation. I did not know whose routes they were; but at several points it struck me very much indeed, the irregularity of the mails and the seemingly careless manner in which the work was done. I was satisfied there was something wrong, but what it was I could not know.

Q. You received those instructions from Dr. McDonald, but you did not return?—A. I did not return. The money-order service agents have nothing to do with this, but they can be appointed on any service.

Q. What was the matter with the money-order office down there?—A. Their accounts were very much out of order. They had been behind in their remittances. They are required at certain times to make remittances of their surplus funds.

Q. What did they say was the reason?—A. They said they could not make them because the mails were so irregular; that was the reason they gave, and it was so. I was waited upon by prominent citizens and other business men, who complained bitterly that they had no mail facilities.

Q. Do you say that the mails were not landed many times for twelve days?—A. Yes, sir; for ten or twelve days. Money accumulated and could not be sent off; that was the difficulty. In addition to that, the postmaster told me that upon one occasion they had employed a special messenger to carry their mails from Greenville to Memphis. The name of the postmaster is Britlinger, or a name similar to that. I see he has just been removed. I think I was there in December, 1874. I have no means of refreshing my memory of that fact; but I think it was December, 1874.

Q. You ascertained that the difficulty in that money-order office there resulted entirely from want of competent mail-service at that time?—A. Yes, sir; there was no possible way of sending it off. The mails were not going.

Q. The regular service on that route was the tri-weekly mail from Memphis to Vicksburgh?—A. That is my impression now.

Q. Did you communicate those facts to the Department?—Yes, sir; to the superintendent of the money-order department, to whom I reported.

Q. Did you ascertain, while you were down there, how long these irregularities had continued?—A. No, sir; my impression is that I was told it was common—that it occurred frequently.

Q. You don't know who had the contract on that route?—A. No, sir; I do not. While I was there, there came a little boat along the river, I don't know what boat, but it was not a mail-boat, and the accumulated mail was put on that boat and sent up the river.

Q. Did any one else in the Post-Office Department talk to you about this matter?—A. No, sir. I had no conversation with any one else, only in the money-order department.

Q. You made no other inspections except the one you have mentioned of any routes?—A. No, sir. There was one point in that thing that struck me as very singular, and I think I spoke to Mr. Holbrook about it—why it was that there were so many lines on that river, so many post-routes. For instance, stating from memory now, there was a line from Memphis to White River, and a line from Memphis to Vicksburgh, and a line from Saint Louis to Vicksburgh; then I believe there is a line from New Orleans to Saint Francisville. Anyhow there are several of them, and I do not understand why one or two lines could not have taken those mails along.

Q. There was a line also from New Orleans to Vicksburgh?—A. Yes, sir; that is so, I believe.

Q. Was there not also a line to Red River Landing?—A. Yes, sir. I believe there was; it struck me as strange that there should be so many of them, and I thought it strange that with so many lines, and with all those facilities, the people should be deprived of their mails.

Q. When did those irregularities occur?—A. I was there in December, I think, and the irregularities had occurred previous to my visit. These mails had been accumulating for some ten days at that time, but the postmaster at Greenville told me that it had occurred before.

Q. You have no knowledge how long that contract ran afterward, or how long it had continued previous to that?—A. No, sir. I had no information connected with those lines.

By Mr. CANNON :

Q. Where do you reside?—A. In Nashville, Tenn.

Q. How long have you been living there?—A. Some twelve years.

Q. What are you doing now?—A. Assistant postmaster. I resigned my position as special agent to go back into the office. I had been in the office ten or eleven years.

Q. Were you ever a special agent before?—A. No, sir. I was a special agent nine months exactly.

Q. And you were connected with the money-order department only?—A. Only.

Q. Did you ever have any experience in the contract division?—A. No, sir; I have never had anything to do with the contract division.

Q. Did you ever make any reports to the Second Assistant Postmaster-General, or was it to the money-order department solely?—A. Yes, sir; to money-order department solely.

Q. Was Holbrook in the money-order department at that time?—A. Yes, sir; at that time.

Q. Was he the man you were reporting to, or Dr. McDonald?—A. Dr. McDonald.

Q. How did you happen to talk to Holbrook about this matter?—A. Being old acquaintances, we talked about this—it was an accidental conversation.

Q. Did he report it to the Second Assistant Postmaster-General?—A. I don't know how that was.

Q. Then your report to Holbrook was a mere casual conversation?—A. A mere casual conversation.

Q. It was no part of your official duty to report to him?—A. O, not at all. I was under the supervision of the superintendent of the money-order department, and my reports were made to him.

Q. You reported these facts to the superintendent of the money-order department?—A. Yes, sir.

Q. In writing?—A. Yes, sir.

Q. Did you have any order to report, or to tell anybody else about it?—A. O, no.

Q. You don't know whether he reported it to the Second Assistant Postmaster-General or not?—A. No, sir.

Q. Do you know who had those contracts when you were on those routes?—A. No, sir.

Q. Do you know whether there were any regular contracts, or whether it was only temporary service?—A. No, sir; I do not.

Q. Do you know the Memphis and Saint Louis Packet Company?—A. There is a line there, the Anchor Line. I have been on their boats several times.

Q. They are very large, fine boats?—A. Yes, sir.

Q. That is a very fine line and a responsible company?—A. I do not know. By general reputation, I believe it is.

Q. That was the line that carried the mails, was it not?—A. Yes, sir.

Q. How long were you there; ten days?—A. No, sir; I was there only two—part of two days in Greenville.

Q. Then it is not true that you were there ten days, and there was no mail?—A. No, sir; I did not say that.

Q. Was there any mail on those two days?—A. Quite a large quantity.

Q. Was it carried by any of those boats passing?—A. No, sir; there was a large quantity of mail there that had accumulated.

Q. And out of all those that had contracts there was not one of those mail-boats that landed there?—A. No, sir; because if there had any mail-boat stopped there this mail would have gone.

Q. Did the mail-boats pass without stopping, or were they on the river at all?—A. That I don't know.

Q. You say that the mail would have gone; it would have gone if the postmaster had done his duty, would it not?—A. I presume it would.

Q. You don't know whether he did his duty or not?—A. No, sir; I don't know, but I presume he did.

Q. Then either the postmaster did not do his duty, or the mail contractors did not do theirs; you don't know which, do you?—A. No, I don't really know; but the postmaster had the reputation of being a very excellent officer, and the people were very anxious about their mails.

Q. And the Anchor Line of the Memphis and Saint Louis Packet Company have the

name of being a excellent line of boats, have they not?—A. Yes, sir; I believe they have.

Q. So honors are easy on names, are they not?—A. Well, yes; they were, I suppose, a very excellent line of boats, but had I been agent in charge of the mails I should have hauled them over the coals pretty considerably, for not attending to their business better.

Q. You don't think, then, that the Memphis and Saint Louis Packet Company did good service?—A. Well, sir, in several instances while I was on their boats, I thought they did not.

Q. You are going now upon what the postmaster told you about the irregularities?—A. The postmaster and the citizens.

Q. Do you say you found that postmaster's accounts very badly mixed?—A. Yes, sir; the money-order accounts.

Q. Did you get them straight?—A. O, yes.

Q. You found no defalcation?—A. None that I know of. I straightened up his accounts.

Q. And everything that was out of order about his accounts he accounted for by the defective service on the river, so that he could not make his remittances?—A. Yes, sir.

Q. Was there anything wrong in his accounts except that he had held money too long?—A. That was all that I know of.

Q. The accounts were in good shape, well kept?—A. Yes, sir.

Q. It was simply, then, that he had held money longer than he ought to?—A. Yes, sir; the regulations compelling him to remit the money over-due.

Q. And that was the only matter that was wrong in his accounts?—A. All that I know of.

Q. Was the river low or high at that time when you were down there?—A. I don't remember.

Q. Was it frozen or open?—A. Open.

Q. This place where you were was Greenville; where is that on the river?—A. Between Memphis and Vicksburgh.

Q. Red River Landing is below Vicksburgh?—A. Well, I am not acquainted with the river.

Q. Do you know whether the mouth of Red River is below Greenville or above it?—A. I really do not know; honestly I don't know.

Q. What State is Greenville in?—A. Mississippi.

Q. How far above Vicksburgh?—A. That I don't remember.

Q. How far below Memphis?—A. That I could not say, positively.

Q. Is it above or below the mouth of the Arkansas River?—A. That I do not know; my geographical knowledge of that section of country is very limited.

Q. Then, do I understand you to say that the line of boats doing the service between New Orleans and the mouth of Red River, passed, or should have passed, Greenville?—A. No; I did not say that, because I don't know how that is. I merely stated that there were several lines.

Q. Do I understand you to say the line from New Orleans to Saint Francisville passes Greenville?—A. No, sir; I did not say that, for I don't know.

Q. You say that there are several lines that have contracts to carry the mail, passing Greenville, on the Mississippi River?—A. I did not say that.

Q. Be kind enough to give us the names of the contracts!—A. That I do not know.

Q. Do you know that there is more than one line of boats that has a contract for the mails passing Greenville?—A. That I do not know.

Q. Then, when you say that you were struck with the fact that there were so many different lines that had so many different contracts about Greenville, you mean to say that you do not say that?—A. No, sir; I don't think I said that they were all about Greenville. I said, in passing up and down the river I noticed that fact, to get to Greenville I had to go to Vicksburgh.

Q. Where did you start to go to Greenville?—A. At Vicksburgh; and then I have been from Vicksburgh to New Orleans, stopping by the way.

Q. Where did you go when you left Greenville?—A. To Memphis.

Q. Then you passed from Vicksburgh; what points did you stop at?—A. Only at Greenville, going up the river.

Q. That was in December?—A. That was the only trip that I ever made in connection with the mail service from Vicksburgh to Memphis, stopping at Greenville.

Q. When were you at Greenville the second time?—A. I don't remember; while I was a special agent. I was there some two days that time, probably. I cannot say whether it was before or after December, without having my papers before me.

Q. Did you stop at any place besides Greenville the second time you went from Vicksburgh to Memphis?—A. That I don't remember. I had occasion to go to Skipwith Landing, and from there I continued on to New Orleans. I have been down the river several times. That was the second time.

Q. How many places have you stopped off at, going up and down the river?—A. Three. Skipwith's Landing, Greenville, and Bayou Sara, at three different times while I was special agent.

Q. State how many different contracts were in existence, the boats of which should have been run past Bayou Sara, Skipwith's Landing, and Greenville at the time you were there.—A. That I do not know.

Q. Then why do you state that you were struck with the poor manner in which the mails were carried down there, considering the great number of different contracts then existing to carry them?—A. What struck me was this: If the Anchor Line could not do it themselves, why did they not get somebody else to do it?

Q. You say you were struck with the poor service, considering the number of different contracts there were to carry the mail over the same line, yet you say you do not know how many contracts there were. Do you want to modify that statement in reference to being struck by the poor service, considering the number of different contracts that existed to carry these mails?—A. I did not say there were so many contracts going to Greenville. In my passage up and down the river, I said I noticed that.

Q. Tell us how many different contracts there were to carry the mails up and down the river.—A. For instance, I presume there were several lines passing Vicksburgh.

Q. Give me the lines passing Vicksburgh?—A. That I cannot say, because I am not acquainted with the service there.

Q. Do you know that there was more than one?—A. Yes; I do.

Q. What were they?—A. The Anchor Line, from Saint Louis to Vicksburgh.

Q. What was their contract?—A. That is what I do not know.

Q. How many times were they to carry the mails a week?—A. That is what I do not know.

Q. When did they commence carrying?—A. I could not answer that, for I don't know.

Q. Was there a contract in force when you were at Vicksburgh?—A. That is what I do not know.

Q. Then the Anchor Line part of it you take back—you don't know anything about it?—A. I don't know anything about the contracts, only I presumed they were mail-boats from the fact of their carrying the mails.

Q. You don't know but they carried it as a matter of accommodation?—A. That is not the custom of the Post-Office Department.

Q. Is not that frequently done on the Mississippi River?—A. I think not.

Q. Is it never done?—A. Not that I know of.

Q. Do you know that it is never done?—A. I don't think they are so accommodating as to carry the mail that way.

Q. We have it in evidence that they do it sometimes.—A. I didn't know that.

The CHAIRMAN. Please state to the witness what evidence you have of that.

Mr. CANNON. I am stating that as fact, and I want to know whether he knows that it is true or false.

The WITNESS. Well, if the steamers carried them for the Government for nothing it seems to me that the postmaster at Greenville could have had his mail carried, because he told me that they were very anxious to have that mail carried, and that they had made efforts to have it carried, and if the steamers carried the mails for nothing he would have had no trouble, because there were a number of boats that passed Greenville.

Q. Then you don't know whether any of the steamers carried the mails without pay or not?—A. Not to my knowledge I never investigated it.

Q. You don't know whether the Anchor Line had a contract while you were at Vicksburgh?—A. No, sir; I never investigated that.

Q. What other line had a contract?—A. That is what I don't know.

Q. Is not this true about it, that you don't know anything about the contracts to carry mails on the Mississippi River, or the mail-lines, but when you were down there your observation was that the mails were not well carried?—A. That is what I stated.

By Mr. SLEMONS:

Q. Was the Anchor Line passing Greenville when you were there, running to Vicksburgh and back? Did you travel on those boats on any of those trips?—A. I think not.

Q. You don't know whether the Anchor Line was running on that route or not at that time?—A. I don't remember. The weather was pretty cold.

Q. Did you see those Anchor Line boats at any time?—A. Yes, sir; I have been on them. That was at another time.

Q. Was that when you were going to Greenville?—A. No, sir; at another time.

By Mr. LUTTRELL:

• Q. I understand you to say that when you went down there that the complaint of the postmaster was that there was sometimes ten or twelve days when the mail would accumulate.—A. Yes, sir; he told me that.

Q. Under whose contract should this mail have been carried?—A. My impression was that it was the Anchor Line.

Q. Don't you know to whom the contract was let?—A. No, sir; I do not. I never made any investigation of it.

Q. In this conversation, when you returned, did you understand who had the contract?—A. No, I don't remember that.

Q. Did you make a report of your investigations there?—A. Yes, to the superintendent of the money-order office. That report was in writing.

Q. Do you remember what the report was?—A. I do not, excepting the statement of the postmaster of the accumulation of the mails, his accounting for the fact that he could not make remittances.

Q. Did you report to the Department that the trouble was owing to the neglect of the contractor in carrying the mail?—A. I don't remember that. I have not had reference to my papers, and I could not say that I did that.

Q. Did any member of the Post-Office Department speak to you in relation to this matter?—A. I had a few moments' conversation, I think it was with Mr. Holbrook. I don't remember now what that conversation was.

Q. To the best of your recollection, did you consider that there was neglect on the part of the contractor in carrying this mail, and that he was receiving money for carrying a mail which he was not carrying?—A. That was the impression made on my mind. My impression was that if the boats to carry the mail were not there, it was his business to have it done. I don't recollect the name of the contractor.

By Mr. MILLER:

Q. Do you know that the contractor did receive his pay?—A. Of course I do not know that.

Q. You don't know what he was fined and deductions made for the delay?—A. I don't know that.

Q. How do you know, then, that he got his pay?—A. I presume that the contractors got their pay.

Q. They did not always; how do you know that he did?—A. Well, I don't know. I presume they did. Contractors generally got their pay, and I presume they did.

Q. You say you had the impression that they did; why?—A. Yes, sir; from that fact that men who perform service generally get their pay for it. Of course I was not present at the settlement of their accounts.

Q. That is not a fact, but that was your supposition?—A. Yes, sir.

Q. Was that the only reason you have for the impression that he got his pay?—A. I don't know of any other.

By Mr. LUTTRELL:

Q. Were there general complaints down there?—A. Very, very general. I saw a number of the business-men while I was there, and they stated that this was a very common thing.

Q. Did the postmaster admit to you or state that he had notified the Post-Office Department of these delinquencies on the part of this contractor or contractors?—A. I don't remember that. In giving the reason why he did not make his remittances, I think he said that he had notified the Department of the difficulty of getting his mails off.

Q. Was there anything said about entering fines against those parties, in the Department?—A. I don't remember hearing anything about that.

Q. From the information you derived from conversing with the people there and the postmaster, were you of the impression that the contractors were receiving pay and yet were not fulfilling their contract?—A. That would be just my impression.

Q. That is the impression you have now from the statements made to you at that time by the postmaster and other citizens?—A. Well, I don't remember that there was any conversation—the burden of the complaint was in reference to irregular mails. I don't know that there was any other.

Q. That they failed to call for the mails for 8, 10, or 12 days at a time. Now, from your recollection of your conversation with those parties and the information which you derived from your conversation with them, is it your impression that those contractors were receiving pay for service not performed?—A. My impression was such, but not derived particularly from them, but from the ordinary manner of doing business; so if there was a contract, I presumed of course that they got pay.

Q. Do you know of any other delinquencies on the part of contractors?—A. No, sir; I do not.

By Mr. AINSWORTH:

Q. Did you make any examination at the Department here, to see whether that postmaster at Greenville had reported failures in the arrival or the departures of the mail from his office?—A. No, sir; I did not. I had no occasion to do that.

Q. Was your report exonerating him from blame on account of the irregulari-

ties complained of?—A. Well, I don't remember that. I think probably I may have said to the Department in my report that he gave this as a reason.

Q. But didn't you report your conclusions?—A. I don't remember that.

Q. You were sent there to ascertain the cause of that money-order business not being carried out properly, were you not?—A. I was sent there to see why his remittances had not been properly made and also to correct his accounts.

Q. Did you find out why they had not been properly remitted?—A. He gave me the reason why.

Q. And you reported the reason why?—A. Yes, sir; I think I did.

Q. And that was on account of the irregularity in the mails?—A. Yes, sir; that was it.

Q. And you did that, exonerating him, on account of that difficulty, without ascertaining whether he had reported these failures or not?—A. O, I could not exonerate him.

Q. No, but you could report what you thought regarding it—you did, didn't you?—A. I don't know without having the papers before me what I reported.

Q. You have no recollection whether you found him to blame or not?—A. O, I didn't think he was to blame.

Q. Then you did find that he was not to blame—that it was not his fault, on account of the non-departure of the mails?—A. That is my impression now.

Q. And you did that without ascertaining whether he had reported these failures or not?—A. I don't remember how that is, because that had nothing to do with my instruction.

Q. You had been acquainted with the post-office business before?—A. Yes, sir.

Q. And knew that it was the duty of the postmaster when there was a failure, either in the arrival or departure at the proper time, to report it?—A. That is the custom.

Q. He had the memoranda from which his reports were made in his office, had he not?—A. I didn't see them.

Q. You did not look?—A. No; I did not look. That was not part of my duty. I had no connection with any of the business but the money-order department.

Q. No; and when he gave you that reason, that the mails did not come regularly, it was not your duty to look over and see whether he was lying or not?—A. From the conversations with the business-men—

Q. Where do you consider the safest place to find the records of a post-office; in conversation with the prominent business-men, or in the office?—A. O, that requires no answer. Of course, I go to the office to look for the records; I should not go outside of it.

Q. Did you do that there?—A. I don't think I did.

Q. And you reported, exonerating him from blame upon his simple statement, and that of outsiders, that the mails did not pass regularly?—A. I don't know anything about my exonerating him from blame; I stated the facts. I had nothing to do with exonerating him.

Q. What were the facts?—A. Just what I have stated; that the mails were irregular, and that they had great difficulty in getting the mails off.

Q. But the records of his office show nothing of that kind that you know of?—A. I didn't examine them. They are filed at the Department.

Q. Have you been continued in the detective business since?—A. I have never been in the detective business, and never was.

Q. You were sent there to examine into those irregularities?—A. To examine his money-order accounts.

Q. Were you continued by the Department in that business of going about to examine money-order accounts of post-offices?—A. I resigned my position.

Q. You never went on any other trip except to examine the Greenville office?—A. I was on various trips.

Q. Did you make every examination with the same care that you did this?—A. The superintendent of the money-order department can answer that.

Q. I ask you if you made other examinations in the same manner that you did this?—A. As far as the business of the office is concerned, yes, sir.

Q. How did you find his money-order account?—A. In good order.

Q. You found it perfectly correct?—A. Yes, sir; I think so.

Q. How long after that was he retained in office?—A. He is still in office I think, from what I know.

By Mr. CANNON:

Q. You spoke of resigning; were you informed that your resignation would be accepted, or did you force the resignation on the Department?—A. I resigned for the purpose of going to my old position in the office.

Q. Be kind enough to answer my question?—A. It was of my own free will and accord. I had no intimation that it was required.

Q. I want to know whether the resignation was forced or not?—A. O, no, by no means, because I was given to understand that my service had been perfectly acceptable, and it was with great regret that my resignation was received.

Q. How long have you been in Washington this time?—A. Seven or eight days.

Q. Did you come on a subpoena?—A. Yes, sir.

Q. Do you know on whose suggestion you were subpoenaed?—A. Indeed I do not. I was very much astonished when I got it.

Q. You speak of Holbrook being in the money-order office, and telling him about this thing; where is he now?—A. He is in the city, I presume.

Q. Still in the money-order office?—A. I presume not.

Q. Holbrook is the clerk, or he was, of the Committee on Expenditures in the Post-Office Department?—A. I don't know what position he has.

Q. Is he employed about the Capitol now?—A. I believe he is; I have seen him several times.

Q. Do you know, as you know any other matter from common rumor, that he is the clerk of one of the committees of this House?—A. I don't know it.

Q. I want to identify the gentleman. Now if you have seen him since you came to Washington and he told you that he was engaged in this business, state it.—A. He never told me.

By the CHAIRMAN:

Q. Was he the gentleman that you saw talking to me this morning?—A. Yes, that is the man.

By Mr. CANNON:

Q. You say in answer to Mr. Luttrell's question, that your impression was, from the ordinary manner of doing business, that the contractors got paid, whether they did the work or not?—A. Well, I don't know that fact, sir.

Q. You say your impression is that way?—A. Well, I judge that from the fact that contractors usually get their pay.

Q. Do you say that they usually get their pay whether they do the work or not?—A. O, I need not say that, because it is customary when there is any failure to deduct their pay for that.

Q. Then your impression is that they don't get pay unless they do the work?—A. I don't know. I could not say positively.

Q. You never examined a contractor's account in the Department?—A. I never did of course. It was not in my business; I was exclusively in the money-order service.

Q. You say that the postmaster of Greenville might have said that he made a report of the delinquencies of the mail contractor; do you recollect that he did say so?—A. No, I do not.

By Mr. AINSWORTH:

Q. What was the service contracted to be there, weekly, tri-weekly, twice a week, or daily?—A. I don't know.

Q. The postmaster did not tell you?—A. No, sir.

Q. And you did not make any inquiry?—A. No, sir.

By Mr. MILLER:

Q. Where are you living now?—A. In Nashville, Tenn.

Q. You were subpoenaed from Nashville here?—A. Yes, sir.

Mr. LUTTRELL moved that the reporters for the press be admitted to the meeting of the committee. He said that some of them appeared to be getting the proceedings in some way, and if one got them all should get them. Therefore, although it had not been customary to admit reporters to committees of investigation, he now moved to admit them here.

Mr. WADDELL seconded the motion.

Mr. CANNON moved an amendment, that the doors of the committee-room be thrown open to the public. He thought the gentleman [Mr. Luttrell] was mistaken in his statement as to the custom; always during his [Mr. Cannon's] experience in Congress these investigations had been held with open doors. Two years ago this very committee had made an interesting and protracted investigation with open doors.

Mr. LUTTRELL said that he, too, had spoken from experience. Last year, as a member of a committee appointed to investigate affairs at the South, he had moved at the beginning of the investigation to open the doors, but the objection had been raised that if that were done the room would be so crowded that the committee could not work. He was opposed to admitting everybody indiscriminately to this investigation, but was in favor of admitting the representatives of the press.

Mr. WADDELL said the object of opening the doors at all was to give the proceedings of the committee publicity, and the press being the medium through which that could be done, he thought it would be sufficient to admit the representatives of the press. He had no particular objection to admitting the general public, but he saw no necessity for it.

Mr. STOWELL said he had served in Congress for four or five years and had seen a good deal of committee work, and his experience was that, just as soon as the doors were

thrown open to all, very few persons took advantage of the privilege; while, if a committee sat with closed doors, everybody wanted to get in. He, therefore, favored Mr. Cannon's amendment, having no fear that the room would be overcrowded thereby.

Mr. LUTTRELL thought it was time enough to consider the admission of the general public when they asked to be admitted.

Mr. STOWELL thought that a better rule would be to admit everybody at first, and then, if the crowd became too great, make the necessary restrictions when the necessity for it should arise.

Mr. CANNON said that if his amendment were adopted he would cheerfully join with the other members of the committee in imposing whatever restriction should afterward prove to be necessary; but, while he had a great regard for members of the press, he did not believe in discriminating in favor of any one class of American citizens.

The amendment was rejected—ayes, 3; noes, 4; and the motion to admit members of the press was then agreed to.

Adjourned.

WASHINGTON, D. C., *February 8, 1876.*

T. L. HOLBROOK sworn and examined.

By the CHAIRMAN :

Question. Did you have any connection with the Post-Office Department from the 1st of July, 1871, forward? If so, state what it was and the capacity in which you were employed.—Answer. On the 1st of July, I was a \$1,600 clerk in the contract-office, assigned to duty with J. B. Armstrong, superintendent of railway-mail service. I was made a special agent on the 5th of August, 1870. Prior to that, for a year, I had been in the position I have named as Mr. Armstrong's clerk, assigned to duty with him. On the 5th of August, 1870, I was made a special agent of the money-order bureau, and traveled on business of that bureau until about the 1st of July, 1871, when I was made an \$1,800 clerk in the money-order bureau. The position made by the promotion of the chief clerk, David Haynes, I was appointed to, and held that position until the 28th of February, 1875. I was asked to resign by the Postmaster-General, on the 3d or 4th of February, and my resignation took effect on the 28th day of February; since which time I have had no connection with the Post-Office Department.

Q. We have had witnesses before us testifying in regard to the Peterson contracts—the contracts that Peterson had made with the Post-Office Department for carrying the mail, and also some contracts with Mr. Kittle. Have you any information or knowledge, either official or otherwise, in regard to the Peterson contracts, from personal observation on the Mississippi River?—A. I have, sir.

Q. Please give the committee a general statement of your knowledge in regard to the Peterson contracts. Begin at the beginning and state to the committee all you know about Dr. Peterson and his connection with persons outside and inside of the Department, if you have any such knowledge.—A. My first knowledge of Dr. Peterson's contracts, and of Dr. Peterson himself, was obtained in the winter of 1870-'71 and the spring of 1871, at which time I was traveling as a special agent for the Post-Office Department, through the State of Louisiana and in Northwestern Texas. Prior to that time I had no knowledge or acquaintance with Dr. Peterson. I ought, perhaps, to state that my position as money-order special agent did not require me to examine into anything, excepting the finance of the post-offices—the money-order business, other than to report to the Postmaster-General, or to the proper officers, any irregularity which in the performance of my duties I observed, in connection with other branches of the Department. I was ordered by the superintendent of my bureau to investigate the condition of the Saint Francisville post-office money-order business, the Plaquemines office, the Alexandria office on the Red River, and the Natchitoches, and to investigate some offices in Northwestern Texas—Marshall, Texas. Plaquemines is the first office that, on the Mississippi, I was directed to visit north of New Orleans. I went to that office on the Natchez, I think. After transacting my business there, I went on to Saint Francisville, which is not directly on the river; it is the terminus of the Bayou Sara route. Saint Francisville is half a mile to the rear of Bayou Sara, on the bluff. I cannot say whether it was when I was on my way to Saint Francisville or after I had left Saint Francisville—but my impression is that it was between Plaquemines and Saint Francisville—my attention was called by the route-agent on the Natchez to the fact that three offices on Davis's Bend were not supplied but once a week with mail, the Robert E. Lee, the other boat on the line, not delivering any mail on the Bend to three post-offices. I had a long talk with Captain Leathers, who told me that he was discouraged in his efforts to contract with the United States Government, being unable to reach them at all except through a middleman, B. H. Peterson, and he asked me if I would call the attention of the Department to the hardships which they endured through the fact I have just mentioned. He said that Peterson was an irre-

sponsible man; had no property, no position, and they did not like to do business in that way. I found that the facts told me by this route-agent were true. When we went into the Bend, the postmaster at New Carthage called upon me and stated that his people were complaining very bitterly; that he had continually written to the Post-Office Department, and was unable to obtain any attention to his letters, and asked me, as an officer of the Department, to lay the facts before them on my return. I went up the Red River, and found that the letter-mails and paper-mails were carried upon the forward deck of the steamer, entirely unprotected. The boats were loaded with emigrants. I was on three or four boats, having to stop off at Alexandria and Natchitoches before I reached Shreveport, the terminus of the route. I went to the clerk about it, the mails being entirely unprotected, emigrants sitting on the letter-bags, so that any one with a knife could have got access to the letters. I called his attention to the fact, and he replied to me something in this way: that if the United States Government, or the Post-Office Department, did not like the way they carried the mails they could go to hell with them; that they were getting little or nothing for carrying the mail; that they were forced to do business through a middleman, and unable to get their pay, even what he did agree to give them. This was a boat of the Red River Packet Company, G. L. Kountz, president. On my return to New Orleans, I called upon Mr. Kountz, called his attention to the manner in which the mails were being carried, and to an additional fact that the post-offices on Red River, which I had stopped at, complained that they for weeks, sometimes, have received no mail, especially on the down-trip of the boats, for the reason, as they assigned, that the boats were heavily laden with cotton, and refused to make any landings, unless they had cotton to take on or passengers to put off. In one instance, twelve mails were brought upon the boat, the boat not having stopped there for twelve trips, and the service was three times a week; so it evidently had not stopped for a month. On reaching New Orleans, I was introduced to Mr. Kountz by either the assistant postmaster or the postmaster there, and called his attention to this condition of things, and his reply was similar to that of the clerk: that they could get no contract from the Government; that Peterson was receiving \$30,000 a year for carrying the mail; that he agreed to pay them \$150 a week, but they were unable to obtain that; and he used about the same language that the clerk of the boat used. He went on to state further that there was no possibility of the steamboat-men of New Orleans obtaining any contracts while Giles A. Smith was Second Assistant Postmaster-General, except through Dr. Peterson. On my return to Washington, I made a written report in relation to the failure to supply the offices on Davis's Bend, (New Carthage was one, Hurricane was another, and the name of the third has escaped me,) stating the facts in relation to the manner in which the steamer Lee treated the mail, carrying it and dropping it at the first post-office beyond the entrance to the Bend, the mail being taken up by the Natchez and carried in; and the reasons given me for the Lee's not going into the Bend. That report went to D. A. Floyd, the clerk in charge of that contract section. I had a talk with General Smith, Second Assistant Postmaster-General at that time, in relation to the condition of the service there, and said as much as I thought it desirable to say, I being an officer of the Department, holding a minor position. Among other things, I told him that Dr. B. H. Peterson was openly trading in Louisiana upon his influence with him. General Smith did not receive at all kindly what I told him. He turned it off in some way, I do not now remember how. General Smith never forgave me for the statement which I made. That there might be no misunderstanding in relation to it, I made a more full statement than I could make to my superior officer, to an intimate friend of his, A. H. Brown, a townsman of his, and at that time contract-clerk for the Territories. I also talked with Mr. Floyd in relation to it. So far as Mr. Peterson's contracts are concerned, the only knowledge that I have from personal inspection of his services is what I have stated to the committee.

Q. The contracts for service running up the Mississippi and on Red River which you have stated?—A. Yes. As I have referred to the conversation of Captain Leathers, I ought, perhaps, to state that he told me that Capt. J. W. Cannon, captain of the Robert E. Lee, and a delegation of steamboat-men were then in Washington to lay their grievances before the Second Assistant Postmaster-General and the Postmaster-General. When I returned to Washington, I found that delegation here. I saw them in the room both of the Second Assistant Postmaster-General and of Mr. Creswell, who was Postmaster-General at that time; and that was one reason why I did not enter more fully into an explanation of the condition of things with General Smith. I believed that he had received it all from the steamboat-men, who were the direct sufferers. The only one of those steamboat-men whose name I now remember is J. W. Cannon, the present captain of the Robert E. Lee.

Q. You state, then, that you have laid all the facts that you have stated to the committee before the Second Assistant Postmaster-General, Mr. Smith?—A. No, sir. I have stated that I laid some facts in relation to the contracts before him, and said to him that this man was openly trading upon his influence with him. I did not go into

detail with General Smith, as I have before the committee, but I told him what I have stated.

Q. State whether you had any other conversation with persons in the Department—officers of the Department—in regard to these Peterson contracts at that time, or after that?—A. Very frequently, subsequently to that; afterward, I talked very fully with the superintendent of my bureau, Dr. C. F. McDonald, in relation to these matters.

Q. In your talk with him, to what extent did you give him information?—A. I talked fully with him. If my memory serves me, I told him very much what I told this committee.

Q. Was he aware of the facts from any other source?—A. He was.

Q. What did he say in response to the information you gave him? Did he seem to be aware of the facts from other sources?—A. I cannot say as to that at that time. He was afterward.

Q. How did he become aware of them afterward?—A. When I went back into the Department I accepted the position of corresponding clerk for Dr. McDonald's bureau. I had been connected with him for a number of years. It was an \$1,800 clerkship, and a portion of my duty was to examine into the accounts of postmasters, to see that their balances of surplus funds were promptly forwarded to the proper depositing office. We had a great deal of trouble with the offices at Greenville, Miss., and at Skipwith's Landing, now Duncansville, Miss. The postmasters there were holding back large sums of money, which they were not authorized to hold under the law and regulations, and in response to my letters they replied that they had no boats bringing mail to, or receiving mails at, their offices, and had not had for weeks. Under the instructions of the superintendent, I directed Mr. J. S. Carrels, a special agent of the Post-Office Department, to visit those offices. I also directed other agents to visit the offices, and ascertain where the trouble was, collect the moneys belonging to the Government, and reprimand the postmasters. I do not know that I ever saw the report of Mr. Carrels, but I talked with him very freely and frequently on the subject after his return. He was at that time agent of my bureau. The report of another agent I copied, and I have the copy with me. I was led to this from the fact that no attention was paid to reports in relation to irregularities in that service. Dr. McDonald, the superintendent of my bureau, told me that he had got about tired of reporting the facts to the Second Assistant Postmaster-General's Office; that he had got about tired of reporting the irregularities on that route, especially to the contract-office. Before forwarding the report of which I speak to the contract-office, I made a copy, which I have with me.

Q. Did Dr. McDonald say that he had reported the facts to his superior officers, and that no effort had been made to correct the irregularities after those reports?—A. No, sir. The custom of the bureau was to forward communications in relation to irregularities of service to the contract-office; either to forward the report itself and the evidence we had, or to make copies of the reports and send them around to the contract bureau.

Q. How did Dr. McDonald happen to make the remark to you, that he had grown weary of forwarding these reports to his superior officers in the Department?—A. On account of the continued failure of these postmasters, of whom I speak, to remit their funds, upon the same plea that they could not get the mail out; that there were no boats coming to their offices. Perhaps it was called out also from the further fact that I sent to the inspection-clerk of that division, Mr. Sickles, and called his attention to the fact of the accumulation of our moneys at those offices, and the risk that the Government ran from the inability of the postmasters to comply with our instructions.

Q. Did you state the facts to Mr. Sickles also, as to the irregularities in the mail-service there?—A. I did, sir; he was very well aware of the facts in regard to those irregularities. I stated the facts also to Mr. Floyd, the contract-clerk for that section, who advised me to let the matter alone; that it was a matter that it would not pay to meddle with.

Q. What reason did he give for that statement?—A. I cannot say that he gave any direct reason for that statement.

Q. What did you understand by it?—A. Everybody in the Department understood why it was.

Q. What was the general understanding in the Department?—A. That this man, Peterson, had been the intimate friend and surgeon of General Giles A. Smith all through the war; he was his regimental surgeon, his brigade surgeon, and his corps surgeon.

Q. Do I understand you to mean that Peterson being an intimate friend of Gen. Giles A. Smith, and General Smith occupying the position of Second Assistant Postmaster-General, he was acting as a middleman between the Second Assistant Postmaster-General and these contractors?—A. I do not know that, sir. I know that he received favors that very few others received in the Department, and was recognized in a way in which very few men were recognized.

Q. Please state how he was recognized.—A. He was constantly in the office of the chief clerk, J. L. French, and in the office of the Second Assistant Postmaster-General, Giles A. Smith. His accounts were irregularly settled in every quarter, without the

proper certificates required from most other contractors that the service was properly performed, and without deduction of the amounts which had been collected on account of his contract-pay. The committee may not understand that the contractor is made the collector for the Government of balances due from postmasters on the line of his routes. To enable him to perform this duty prior to the close of each quarter, blank orders are furnished him for each office that is known as a collection-office on his route. Those orders are furnished him in duplicate; they are furnished him about a month before the close of the quarter, so that he may make his collections without delay and get the balance of his pay. He calls upon a postmaster, and fills out an order with the amount of the balance which the postmaster reports in his hands due the Government. The postmaster retains one of those orders, and the contractor forwards the other to the Sixth Auditor of the Treasury. The amount collected by him on those orders, all of which must be accounted for—either returned as “no collection made” or the amount collected reported—is charged up to his route, and the balance between the amount which he himself has collected and the amount of his contract-pay for the quarter is paid to him by draft or warrant upon the certificate that he has done the service—a certificate issued by the postmaster at both ends of the route and certified to by the Second Assistant Postmaster-General. The formality of requiring this certificate and waiting for Mr. Peterson and some other contractors to account for the moneys that they had collected was entirely ignored. He was paid his full quarterly pay, and the collections made by him deducted from the next quarter's pay; virtually loaning to him in addition to his contract-pay whatever the collections he had made amounted to.

Q. Was there any irregularity in connection with those Peterson settlements except the one that you have alluded to—any other irregularities or favors shown him?—A. When I called the attention of Mr. Sickles, the inspection-clerk for that section, to the irregularities of that service, he told me that it was no use to impose any fines on Dr. Peterson; that they were all remitted. He told me that he endeavored to get the fines as nearly just as he could, and that if they were small they were sometimes allowed to remain, but if they were large they were always remitted.

Q. Who remitted them?—A. They could only be remitted by the chief clerk or the Second Assistant Postmaster-General, or by their order.

Q. How long was Giles A. Smith Second Assistant Postmaster-General?—A. He was appointed in March or April, 1869, and resigned on the 16th of October, 1871. Mr. Creswell was Postmaster-General during all the time that General Smith was in office.

Q. Did you ever have any other conversation besides the one you alluded to with General Smith, when you told him that Peterson was treading on his name?—A. I think not, sir, from the fact that in July, 1871, contracts for all the steamboat service on the Lower Mississippi and its tributaries were given to Dr. Peterson. It was in May or June, 1871, that I made the statement to you. I do not mean to say that all the contracts, but nearly all the contracts on the Lower Mississippi and its tributaries, were made with Dr. Peterson after the Department had awarded the contracts to straw-bidders, and those bidders had failed. I was in Washington very little from the time I made the report until July. I was sent to Florida to work up a defalcation at Jacksonville, and, acting under the instructions of the chief of my bureau, I took the place of chief clerk while he was in Europe.

Q. I will call your attention to the service on some of these routes. Here is one from Saint Louis to Memphis, one from Memphis to White River, one from White River to Vicksburgh, one from New Orleans to Vicksburgh, one from New Orleans to Shreveport on the Red River, one from New Orleans to Saint Francisville—are these the contracts that you allude to, which you say were let to Dr. Peterson in 1871?—A. Not all; I think those are part of them.

Q. Were there others?—A. I believe there were; I think the record will show it.

Q. After you had given this information to General Giles A. Smith, and after you had the conversations that you speak of with the different Department clerks in the Office in regard to Dr. Peterson, the contracts on those different routes on the Mississippi services were given, you say, to Dr. Peterson?—A. Not exactly that, sir. The conversations which I refer to cover a period from 1871 up to 1875.

Q. Did you understand, then, from the conversations which you had with the Post-Office Department officials, that they had knowledge of Dr. Peterson's character as a mail-contractor; of his non-ownership of property, steamboats or other property; did you understand that those officials, beginning with the Second Assistant Postmaster-General, and running down through the others that you have alluded to, had information of these facts before these contracts were let on the 1st of July, 1871?—A. I cannot say that. The conversations that I refer to as taking place with Mr. Sickles, took place after July 1, 1871, while I was corresponding clerk of the Money-Order Bureau.

Q. Then you are only certain that those conversations took place between you and General Smith at that time?—A. With General Smith, and with Mr. Floyd, the contract-clerk of the Louisiana, Texas, and Arkansas section at that time.

Q. Was it the duty of Mr. Floyd, as clerk of that section, to have a knowledge of

how these contracts were executed, and to communicate it to his superior officer in the Department?—A. His duty was to communicate all facts in connection with the service of his section, either to the chief clerk of his bureau, or to the Second Assistant Postmaster-General.

Q. The conversation that you had with Mr. Floyd, then, occurred before the letting of July 1, 1871?—A. Prior to July 1, 1871. I had conversations with Mr. Floyd afterward—part of the conversations.

Q. I understand you also to state that the conversation with Dr. McDonald occurred prior to that time?—A. No, sir; Dr. McDonald was about to go to Europe to negotiate a treaty with Germany for money-orders, when I was detailed to the bureau.

Q. When you came back from that inspection-tour, you placed the facts in regard to the irregularities of the mail-service there—all the facts you have stated to the committee—before the Department in the form of a report?—A. The only written report that I made to the Department was that in relation to the mail-service on Davis's Bend. As I have stated, I had conversations prior to July 1, 1871, with General Smith and A. H. Brown, contract-clerk for the Territories and the Pacific coast, and D. O. Floyd, in relation to this service.

Q. The report in which you recited these facts is on file in the Department, I suppose?—A. It was filed. Mr. Sickles tells me it has disappeared; that it never came to him, and that he was the proper officer to whom Floyd should have sent it. I filed it with Floyd, and saw it in his desk months afterward.

Q. When did Sickles inform you that it was not in the office?—A. I think it was last winter, when Mr. Sickles and myself were working with Mr. Woodward, developing these frauds.

Q. Did he state that fact in the presence of Woodward?—A. No, sir. I was not present at any conversation between Mr. Sickles and Mr. Woodward.

Q. You spoke of a conversation you had with a route-agent on the Natchez; who was the route-agent?—A. I do not remember.

Q. What was the statement he made to you in regard to irregularities; did he make any general statement about the irregularities?—A. Nothing at all, sir, except about the supply of Davis's Bend.

Q. Did he or any one else connected with those boats give you any information or tell you anything about how the mail from New Orleans for Shreveport was carried?—A. I know that from my own observation it was carried on the Red River packet-boats from New Orleans to Shreveport.

Q. There was a horse-mail established from the mouth of Red River to Shreveport?—A. That was not established at the time I was there. It was prior to the letting of 1871 that I was there. There was no horse-mail that I know of at that time.

Q. Do you know of a horse-mail being established, running to the mouth of Red River, for the purpose of carrying that mail?—A. Yes, sir; from the printed records of the Department.

Q. Tell why that horse-mail was established, if you know.—A. My understanding is that the exposures made in the McKibben investigation in the winter of 1871-'72, and the fact that the packet company received only \$7,800 a year for carrying that mail, while the Government paid \$30,000, was the occasion for its being discontinued.

Q. The mail by the packets was discontinued?—A. The contract was annulled, as I understand it.

Q. And then a horse mail or stage-coach mail was established to run to Shreveport by land?—A. The record so shows.

Q. You have no information, I suppose, as to how the mail was carried from New Orleans to Red River Landing?—A. From the Postmaster-General's report I have. On page 80 of the Postmaster-General's Report for 1875, I find two statements as to how the mail is carried to Red River Landing from New Orleans. Route 8006 from Vicksburgh, Miss., to New Orleans, La., the amount stated to be paid per annum is \$29,980. That Red River Landing is supplied by this route 8006, the Leathers-Cannon contract, it being a wharf-boat landing, about midway between New Orleans and Vicksburgh, which the Vicksburgh packets are obliged to supply. On the same page I find also route 8117, from New Orleans to Red River Landing, contract pay \$5,775.

Q. That was a service for how many times a week?—A. They are each three times a week, according to this report.

Q. You have no knowledge as to whether that mail was carried on different boats or by different companies or by the same boats?—A. I have no personal knowledge; I mean that I have never seen the mail carried on other boats. I have heard that it was carried by the Vicksburgh packet-boats which were already paid for carrying the mail on route 8006. Captain Leathers told me yesterday that he carried the Red River mail on his boat three times a week.

Q. You stated a while ago that you, in connection with Woodward and somebody else, were investigating the Peterson frauds?—A. If I remember my statement correctly, I was referring to Mr. Sickles, and said it was while Mr. Sickles and myself were assisting Mr. Woodward in developing those frauds.

Q. State how it happened that you and Mr. Woodward and Mr. Sickles were making investigations into that subject; for what purpose; who ordered you to make the investigation, and when was it?—A. Mr. Woodward and myself have been friends since we have known each other, dating from 1869. I had met him before that, but I never knew him specially. When Governor Jewell was appointed Postmaster-General, in September, 1874, or soon after his appointment, Mr. Woodward was promoted to the position of chief special agent, and brought to Washington as his headquarters. Mr. Woodward and myself talked in relation to frauds in other branches of the service, and either during the last of October or the first of November he came one evening to my brother-in-law's house, in Georgetown, where I live, and stated to me that, under the direction of the Postmaster-General, he was investigating frauds in the Post-Office Department, and he wanted my assistance. I told Mr. Woodward that before I gave him any assistance I wanted to place myself clearly upon the record; that I had given to Mr. Luttrell, a member of Congress, and to Mr. Stone, of Missouri, and Mr. Holman, of Indiana, facts in relation to frauds perpetrated in the Department, a few months before, in the spring of 1874; that I had given them those facts with the expectation that the act would cost me my position; that if that fact was still to cost me my place, I would seek to expose those frauds during the next Congress, but that if Governor Jewell proposed to expose them himself, and I was not to be held accountable for information to Democratic members of this House, both he and Mr. Woodward should have my assistance and the use of all the information that I had. Mr. Woodward replied that the Postmaster-General intended to break up all frauds in connection with his Department, and give the facts to the public; that he did not propose to go back into Mr. Creswell's administration of the Department to develop fraud, or hold any clerk responsible for acts done under Mr. Creswell. With that understanding, I rendered Mr. Woodward assistance in developing frauds in the Department.

Q. What did Mr. Woodward say in that connection, in regard to the frauds?—A. What I have stated to the committee.

Q. Did he say anything else in regard to frauds connected with Mr. Creswell's administration? Did he allude to it except in a general way?—A. I do not know that he did, sir; I think not.

Q. You notified him, then, under that statement, that you would assist him in working up the frauds in the Post-Office Department?—A. I did.

Q. In pursuance of that agreement, what did you do?—A. I told Mr. Woodward that if he would take the copy of the New York Sun containing a statement of the fraudulent contracts between Memphis and Vicksburgh, the data for which had been furnished by Mr. Stone, a member of Congress, to the correspondent, and additional facts obtained from the records of the Department by that correspondent, he would find what one of the fraudulent contractors had done; that by taking that statement and referring to the records and studying up those routes, he would find out a portion of what one of the ring contractors had done. Mr. Woodward took the paper and examined the records, and came to my room in the Department, and said that the correspondent had got it straight, but he had not got half of it. I say he examined the records. He told me he had examined them, and he made that statement in relation to them.

Q. Who was that contractor that you were alluding to?—A. B. H. Peterson. I was introduced to John E. Reeside, an old mail-contractor, as a person who was working with Mr. Woodward in working up these frauds, and saw him continually with Mr. Woodward. He is an old contractor and knew more about the frauds than I did, and I had been working up the railroad business for two years previous, a portion of which I furnished to Mr. Holman. I drew up a good many statements in relation to that service, which I gave to Mr. Woodward, and left the other matter to Mr. Reeside and himself to a great extent. Mr. Woodward, with his other duties, had not time to look into the railroad business, and it ran along until January, 1875, when I went to the chief clerk of the Department, J. W. Knowlton, and asked him if the Postmaster-General wanted to understand the subject. He told me that he did, and that he would see me further in relation to it. He came to my room the next day, and told me that the Postmaster-General wanted to see me. I had prepared a statement in writing in relation to the railway mail-service, and that afternoon I called upon the Postmaster-General. Governor Jewell stated that he was glad to see me; that a gentleman had called upon him in relation to me a few days before, and stated to him that he had a bad man in his Department who had been giving information to members of Congress and the papers; and he said that man who told him that was B. H. Peterson. He asked Peterson who this man was, and Peterson mentioned me as the man. The governor handed me a piece of blotting paper with my name written on it. He said he supposed I had heard from my friends, what Peterson had said. I told him that I had no explanation to make as to any charges or statements that Dr. Peterson might make; that I was prepared to stand upon my record in the Department. He said he had made inquiry and was satisfied, and did not want to hear anything more about it; that Mr. Woodward

had been, under his directions, for some time investigating frauds in connection with this man's contracts, and he asked me to assist him.

By Mr. WADDELL:

Q. When the Postmaster-General stated he did not want to hear anything more about it, he referred to Peterson's charges against you?—A. Yes, sir; he had had the superintendence of my bureau, and Mr. Woodward before him, in relation to these charges of Peterson. I told Governor Jewell that I had already given Mr. Woodward assistance, at his request, in working up these alleged frauds, and that Reeside was working with him. The Postmaster-General said that he knew he was, but wished I would give him any further assistance I could. I then went and got the inspection-clerk of the contract-office, Mr. Sickles, to whom I have referred, to go to Mr. Woodward and tell him what he knew about Peterson's contracts. Either the next day or the second day after, I asked Mr. Woodward if he had had a satisfactory interview, and he said that he had enough to sink Mr. Peterson and his contracts to perdition—more than I had ever dreamed of; that within twenty-four hours those contracts would be annulled. Within twenty-four hours, on the evening of the 4th of February, 1875, I was sent for by the Postmaster-General and asked for my resignation, and given leave of absence, with pay, until the 28th day of February. No reason was assigned and none asked for. Mr. Peterson's contracts were not annulled, but were allowed to expire on the 30th day of June, 1875.

Q. Please give the language of the Postmaster-General at the time he asked for your resignation.—A. I think I can repeat his words. There were two gentlemen in his room, strangers to me. Governor Jewell said, "Come in the next room, Holbrook." He stepped into the First Assistant's room. There were two gentlemen there. He says, "The room is occupied; come over by the window." We stepped to the window, and he said, "Mr. Holbrook, I want your resignation." I said to him, "Do you wish an immediate resignation?" His reply was, "I do." I said to him, "Governor, it will make some difference to me whether I resign to take effect at once or on the 1st of March." He replied, "Very well, make it the 1st of March, and take a leave of absence until that date." I bade him "Good day, sir," and left him, and went to the chief clerk, Colonel Knowlton. I asked him if I had substantiated all statements which I had made to him or the Postmaster-General.

By Mr. STOWELL:

Q. About the Peterson contracts?—A. No, sir; about the railroad matters, to him. He said, to his satisfaction and that of the Postmaster-General. I then said to him, "I have just been asked to resign, Colonel Knowlton, and I think you owe it to me to ask of the Postmaster-General, what I shall never ask him, the reason for his action." We had some further conversation, and he told me that he not only owed it to me, but to himself, and if I would come to the office that evening he would let me know what it was. I met him about half past seven near the door of his room that evening, and he said to me that he was more embarrassed than he ever was in his life; that he knew the reason why I had been asked to resign and could not tell me; that the Postmaster-General had gone home feeling very badly about it. That is about all that I have to state in connection with that.

By Mr. STOWELL:

Q. Did you ever find out the reason?—A. I never did, sir; I heard what I supposed to be the reason in two days. Mr. Peterson boasted that he had to do it for his own salvation.

By Mr. WADDELL:

Q. That he, Peterson, had to do it?—A. Yes, sir. It came up in this way: Mr. Kittle told me that he was present in the room of A. L. Boone, the chief of the pay division of the Sixth Auditor's office—that was some time afterwards; I did not know Mr. Kittle at that time—when Boone spoke of my leaving the Department, being asked to resign. Peterson was present and remarked that he had to do it for his own salvation.

By the CHAIRMAN:

Q. This conversation occurred in the presence of A. L. Boone?—A. So Mr. Kittle says. I do not answer for it. I heard it from other sources, enough to satisfy me where it came from. I cannot give you all the reasons which caused me to be fully satisfied of the fact that Peterson had, through higher influence that he possessed, caused my resignation to be asked for or my removal ordered.

By Mr. CANNON:

Q. Repeat that.—A. I cannot give you all the reasons upon which I base my opinion, that indirectly Mr. Peterson was the instrument of my removal. My pleasant relations with the Postmaster-General and his officials continued until after the Hines-Kittle exposé. I furnished Colonel Knowlton considerable information after I resigned, which he used in developing those frauds—information of the routine work of the contract-office which enabled him to develop them. I do not know that I have anything further to state.

By the CHAIRMAN :

Q. When Mr. Woodward came to your room and asked you to help him investigate the frauds that you have mentioned, what else did he say when he made the statement that he did not intend to go back into Mr. Creswell's administration?—A. I cannot give you any further light upon the subject.

Q. Did he give you any reason why he did not want an investigation to go back into Mr. Creswell's administration?—A. None other than that the Postmaster-General had all he could do to correct the evils then existing; something to that effect, I think he said.

Q. Then do I understand that the investigation which you made at the time for the benefit of the Department, only extended back to the 1st of July, 1875, the time of Mr. Creswell's resignation?—A. Do not misunderstand me. The assistance which I gave to Mr. Woodward was of a general character; information as to names of persons from whom he could obtain information; what records contained that information; and I did not go into any examination of the records of the Department, not being connected with that branch of the service at all, in connection with Mr. Woodward. Every investigation he made, he made directly and through other parties, not through me, except in so far as I directed the course of his inquiry, to a certain extent.

Q. Did Mr. Woodward state to you that the Postmaster-General had ordered him to investigate these frauds for the purpose of correcting them in his administration?—A. No, sir; he did not. No one doubted that Governor Jewell wanted to correct them in the interest of the Government; at least, I did not.

Q. Well, Governor Jewell said, if I understood you, that he had ordered Mr. Woodward to work up these frauds?—A. He did.

Q. Did he tell you that he had any information himself, at the time, with regard to these frauds? Did he allude to the Peterson contracts as fraudulent contracts?—A. I cannot say that he did. I stated, I think, before, that Governor Jewell told me that Mr. Woodward was, under his instructions, investigating the Peterson contracts. He did not say anything about their being fraudulent contracts.

Q. After that you went to Sickles and told him to go to Mr. Woodward and tell him what he knew about Peterson. Then Mr. Woodward told you, after having seen Mr. Sickles, that he knew enough more than you knew to sink Peterson and his contracts to perdition.—A. I think I have stated that. That I went to Mr. Sickles, who is a friend of mine, who is a man of integrity and uprightness, I believe, if there is one in the Department, and told him that it would be all right, to give all that he had to Mr. Woodward.

Q. Was it within twenty-four hours of this time that you were invited to resign?—A. To the best of my remembrance, within twenty-four hours of the time when Mr. Woodward said to me that he had more information than I ever dreamed of, enough to sink Peterson and his contracts to perdition, and that within twenty-four hours they would be annulled, I was asked to resign.

Q. Do you know anything about Mr. Woodward and the Postmaster-General going off to see any one within that twenty-four hours?—A. I heard it in the Department—I cannot give my source of information—that Mr. Woodward had been away with the Postmaster-General with his papers in his carriage within that time. I think I heard it from Mr. Reeside.

Q. How long was Mr. Reeside continued in the Department?—A. He was not connected with it at all.

Q. I understood you that he was associated with Mr. Woodward in this investigation.—A. Mr. Reeside was an old mail-contractor. He, perhaps, can tell the committee much better than I can what his connection with this matter was. He was not an officer of the Department in any capacity, to my knowledge. He was working with Mr. Woodward in developing these frauds of Peterson's, and other frauds.

Q. Do you know when his connection with Mr. Woodward was severed?—A. I do not know that he had any official connection with him.

Q. Well, his connection other than official?—A. It may be existing to-day. I do not know.

Adjourned.

WASHINGTON, D. C., February 9, 1876.

T. L. HOLBROOK recalled and further examined.

The WITNESS. A question was asked me Saturday in relation to the service substituted for the discontinued steamboat route on the Red River. My knowledge of the action taken in the Department is only from the records of the Department. I can, with the permission of the committee, refresh my memory as to that action, from these books.

Q. Please do so.—A. [Referring to route register, Louisiana, 1871-'75.] There are so

many changes in this book, so many orders modified and changed, that it would be necessary for the man who has charge of it to explain them. I can only state that there was a route established from Red River Landing to Shreveport; I cannot give you the number of it. It comprises two lines. The aggregate pay on the lines is \$41,200, I understand.

Q. Explain what those two lines are.—A. Two stage-lines, as I understand it; one ends at Alexandria, and the other runs from Alexandria to Shreveport. Possibly there may be three subdivisions of the line. The gross pay, however, of the whole line is stated in the advertisement of October 1, 1874, to be \$41,200, as I remember it. I suppose from your question that you understand that that service expired June 30, 1875.

Q. State to the committee what was the general understanding among the clerks and employés in the Department, as to the power and influence of B. H. Peterson in regard to mail-contracts in the southern part of the country?—A. It was generally understood, sir, that his influence was such that it was unsafe for any clerk in the Department to interfere with any of his operations or transactions.

Q. State further, whether it was possible for the irregularities, such as you have been describing, in the mail-lettings, to exist without the knowledge, and, I may say, the co-operation or connivance, of the clerks in the Department and some higher officials?—A. Whether those who were holding positions higher than clerks knew anything of such transactions would depend upon whether or not their attention was called to the condition of things by the clerks who had the direct control of the advertising of the service, preparing contracts and receiving complaints from postmasters and others as to the manner in which the service was performed. That is true as to those higher than clerks; though the remission of fines and deductions for failure to perform service could not be made without the action of either the chief clerk or the Second Assistant Postmaster-General.

Q. Do you know from conversation with the clerks that these matters on which you have testified were communicated to the higher officials by those clerks?—A. So far as I testified yesterday, I know as to what action Mr. Sickles took. The action of the clerks, or any clerk, as to reporting irregularities or details, I am not familiar enough with to state to this committee. They are the proper persons to state that.

Q. What information have you in regard to the Kittle frauds in Texas, and what personal knowledge?—A. I never knew Mr. Kittle or Mr. Hinds either, who was alleged to have been connected with him in these transactions, until some time after I resigned. I had been having almost daily interviews with the chief clerk of the Department, Colonel Knowlton, posting him as to the manner in which the contractors, known as ring-contractors, manipulated things in their own interest; and either the day before I resigned, or two days before, I told Colonel Knowlton that if any arrangements had been entered into, any plans made by the contractors to evade the laws and to substitute fraudulent bids, that those arrangements must have been made with the clerks in charge of those contract-sections where they operated, without whose co-operation they could not operate successfully, and that I thought he could break up any combinations, if any had been formed, by getting the Postmaster-General to issue an order transferring the duty of examining and recording the bids for that section to some other section, so that any arrangements that had been made would go for nothing. Such an order was made by the Postmaster-General, transferring, for example, the duty of examining and recording the bids of the Texas and Louisiana section from D. O. Floyd, who had had charge of that section for five or six years, to another clerk. My impression is that the order was made and issued to the chief clerk of the contract-office. At any rate, the duty of recording the Texas and Louisiana bids was changed from Mr. Floyd to the room of Chester Colt, who had charge of the contract-section for New England. The day after I had called Colonel Knowlton's attention to this manner of defeating any plans that had been made, Mr. Floyd went to the Postmaster-General, I am informed, and stated to him that there had been so much talk in relation to frauds in his section that he would be pleased if he would transfer the duty of recording those bids to some clerk in whom he had confidence, whom he knew personally; that he felt it his duty to say to him that he had himself been tempted to do wrong, and would like to be relieved from recording those bids. The developments made afterward in court before the Postmaster-General, in the criminal trial, showed that Mr. Floyd had, at the time he went to the Postmaster-General, \$1,500 of Mr. Kittle's money paid to him for his services; that he had originally received \$2,500, but, upon the transfer of his duties to Mr. Colt, had refunded to Mr. Kittle \$1,000 to purchase Mr. Colt with, between six and seven hundred of which, the evidence showed, was paid to Mr. Colt, and other sums to Frank L. Channell, brother-in-law of Mr. French, the chief clerk of the contract-office, who operated with Floyd, and afterward with Colt. Acting upon the information obtained, E. R. Petherbridge, of Baltimore, a special agent of the Post-Office Department, was detailed to investigate anything that might be wrong in connection with the letting of February 18, 1875. I will state to the committee that much of what I am saying is in evidence before the criminal court here, and that my information arises from the facts developed in that trial, as well as

from information obtained from clerks in the Department, and officers of the Department. Mr. Petherbridge worked up the case. Other agents were also at work upon it for a time. Mr. Henderson, a special agent from Baltimore, with headquarters in Washington, was one. How they arrived at all their facts, I, of course, did not know; but the evidence was developed about the 1st of April, I think, or during the month of March, (it was a few days before the Connecticut election; I am not certain of the date,) as to the moneys received by Mr. Floyd, by Frank L. Channell, by Mr. Rothrock, a messenger of the Second Assistant Postmaster-General, and by Chester Colt, from Mr. Kittle, to work in his interest in this mail-letting. Floyd secured the transfer of Channell from the chief clerk's room to his room, he being willing to steal bids, having stolen bids and carried them to the contractor's room before the bids were opened, while they should have been locked up.

By Mr. CANNON:

Q. I would like to know whether the witness is speaking of his own knowledge, or stating what the evidence was that was developed in this criminal trial.—A. I have stated to the committee that a portion of this information was nearly all of it in evidence as developed in this criminal trial; that what I am stating to the committee is gathered from information obtained in the Department and from this evidence.

Mr. CANNON suggests to Mr. McMahon that the witness separate what he knows himself from what he learned from the evidence on this trial.

The WITNESS. The developments of the Department being so closely allied to the criminal trial prosecuted by the officers of the Department, and Mr. Woodward, Judge Spence, attorney-general for the Department, and these clerks who had received the money being heard as witnesses in the trial, it would be difficult to say what portion of the information I obtained in the court-room, and what in the Department. Being called upon to make a statement of this kind, without being directed by the committee as to what I can properly state as a witness, I am placed in an embarrassing condition. For that reason I stated to the committee, before I commenced to make the statement in relation to these alleged frauds, how I obtained my information.

By Mr. MCMAHON:

Q. Who was the Second Assistant Postmaster-General at this time last spring, in February or March?—A. In February, 1875, John L. Routt.

Q. Do you remember the date of his appointment as governor of Colorado?—A. I do not, sir. Mr. Tyner was appointed before the adjournment of Congress, and took possession immediately upon the adjournment. All these matters, however, were under the control and direction of Mr. Woodward, at that time chief special agent.

By the CHAIRMAN:

Q. You spoke of Channell as being a brother-in-law of Mr. French. In whose office was he clerk?—A. He was a temporary clerk in the bureau of the Second Assistant Postmaster-General, and was assigned to duty in different rooms. In January he was on duty in his brother-in-law's room, the chief clerk. He was afterward transferred to Mr. Floyd's room. From Floyd's room, after the bids were transferred to Colt's room, he was transferred to Colt's room.

By Mr. MCMAHON:

Q. By whose authority and direction are those transfers made from one room to another?—A. Either the chief clerk of the contract-office transfers or the Second Assistant Postmaster-General. The chief clerk usually makes the assignments. The chief clerk was A. L. French. From my own personal knowledge all the men connected with these transactions, all the men in the Department connected with these transactions, so far as was known—that is, those who were connected with the transactions so far as the Department knew—and Mr. Kittle, who had purchased Mr. Floyd's and Mr. Colt's and Mr. Channell's services, were accepted as witnesses by the Government in the prosecution of J. J. Hinds. They all testified, including Rothrock.

Q. State in that connection what routes Hinds had been connected with.—A. Mr. Hinds was from Alabama, and had no routes that I know of against which there were any allegations of fraud. The frauds perpetrated were in the attempt to obtain routes under the advertisement for mail-service in the Southwest, to commence July 1, 1875. Mr. Hinds had mail-routes, but I do not know what they were, and never knew that there were any charges of fraud in relation to those routes that he had. He was prosecuted for frauds alleged to have been committed in substituting after-time bids, and in corrupting the clerks and using counterfeit seals. It is only due to Hinds to say that he was acquitted. The jury were not out more than two minutes; no evidence having been produced that he was anything more than an accessory after the fact, an accessory to Kittle. Perhaps I can make that more clear to the committee by saying that the judge's charge, which I listened to, bore very strongly upon that point. I think his language was that it was the first time to his knowledge at the bar or on the bench when a man who was at most an accessory was attempted to be convicted upon

the evidence of the admitted principals. I do not know what else I can state in that connection that will be of interest to the committee, excepting the fact that none of these men were dismissed for several days after the facts were developed in the presence of the Postmaster-General. They were dismissed, all except Rothrock, as soon as the Postmaster-General returned from the Connecticut election. It is only just to the Postmaster-General to state that these developments took place just about as he was leaving Washington, and, while the confessions were all made in his room, I do not think he had time to act upon the case until his return. I saw him in New York, on his way back, at the Fifth Avenue Hotel, and he then told me that the men would be sentenced as soon as he got back; that is, that they would be dealt with.

Q. You speak of their making confessions. They made these admissions to the Postmaster-General prior to the trial?—A. A gentleman, who took part in it, told me afterward that Mr. Kittle was confronted with the Postmaster-General; that Major Petherbridge was present, and he was asked as to his connection with these transactions, whether he had paid Mr. Floyd any money, and upon his denial he was confronted by Mr. Floyd, who admitted that he had received \$2,500 from him, a thousand of which he had paid back. He was then questioned as to his transactions with Rothrock, all of which he denied until Rothrock was confronted with him; the same way with Channell.

By the CHAIRMAN:

Q. What did Rothrock say when he was confronted with him?—A. I don't know sir.

By Mr. CANNON:

Q. Channell and Kittle denied until confronted with the others?—A. No, sir; Kittle denied everything until he was confronted with one after another of these men, whose confessions had been obtained by the agents. He then admitted that he thought that everything they had in the written papers that they had been questioning him from was probably true; that he had come to Washington to make money, being unable to make it as a contractor attending to his business in Texas—to make it honestly if he could—he would make it any way. He told Mr. Jewell that he had found the clerks in the Department for sale, and he had bought those that he wanted. It is only just to say, so far as Rothrock and the Postmaster-General are concerned, that in retaining Rothrock I think Governor Jewell was actuated by pity for the man. He is a wreck of a man; he is one of the Andersonville prisoners, and I don't think a bad man. He is a man who is very easily led.

By Mr. STOWELL:

Q. A half-witted man, is he not?—A. Well, he is so considered. He is hardly responsible for his acts, and I think Governor Jewell so treated him in retaining him, while dismissing the others.

By the CHAIRMAN:

Q. Is he still in the Department?—A. I understand he is there to-day, or has been until recently.

Q. Was Kittle ever prosecuted?—A. No, sir; he was recognized in every way by the Department.

By Mr. McMAHON:

Q. You can state further what fines had been assessed against Kittle, to your information, in the Department for the non-performance of his services in Texas?—A. The inspection-clerk for Texas and Louisiana, Col. E. F. O'Brien, was a friend of mine. I very naturally desired to keep posted as to the action of the Department in relation to Peterson's contracts, and I was with Mr. O'Brien almost every day in his room—I would drop in upon him. I found there one day, working with Mr. O'Brien, H. Clay Hopkins, a special agent of the Post-Office Department, with whom I had been intimate for a number of years. I asked him what he was doing, and he told me that he had been directed to work up the service, as shown by the records of the Department, performed by Mr. Peterson, and to go through the whole inspection division of the contract-office, working up frauds. Mr. O'Brien told me, that within a few days after that he had received an intimation that if he did not quit working with Hopkins on the Peterson matters he would be removed. A few days after I saw Hopkins working with him.

By Mr. STOWELL:

Q. From whom did he get his information?—A. I don't know, sir; he did not tell me. Mr. O'Brien stated to me that Mr. French, the chief clerk of the contract-office, and Mr. Lake, the chief of the inspection division, in which division he was, were ransacking all his transactions as inspection-clerk for another division that he had been on before he was transferred to Texas and Louisiana, to see if they could not find something against him. Mr. Hopkins told me that he had been instructed not to go back of the 1st July, 1874, when Mr. Creswell resigned, in making his investigations. He did not

state who he was instructed by; he was working under the direction of Mr. Woodward; he told me that; he did not tell me that he received those instructions from him, however. I saw the list of fines and deductions prepared by Mr. Hopkins and Mr. O'Brien on Peterson's route, amounting to over \$12,000. Mr. O'Brien told me that some of these had been set aside, and, in the settlement of Peterson's accounts, between \$8,000 and \$9,000 was deducted from Peterson's pay. This was while O'Brien was still in the office working as inspection-clerk for Louisiana and Texas. The frauds perpetrated by Kittle were also worked up by Hopkins, and the deductions for improper performance of service, failure to do service, fines, &c., to the amount of \$26,000 imposed upon him. Mr. Kittle told me that after the Hinds trial was over that all except \$1,900 had been remitted, and he had been paid. I called Hopkins's attention at the time he was working up these routes to the fact that, if he did not go back of the 1st July, there was no redress for the Government for moneys that had been wrongfully paid for the previous three years on the contracts, the contracts being still alive, and to expire on the 30th June, 1875; that the moneys due the Government for failures to perform service from the commencement of the contract to that time would be lost. He told me that he was acting under instructions.

Q. State again who has power to remit these fines and deductions; who was the particular officer?—A. No one has the power, but the Postmaster-General, the Second Assistant, or the chief clerk; who did it, I don't know.

Q. Who were those officers?—A. Mr. James M. Tyner was Second Assistant Postmaster-General; John L. French was chief clerk. They might be governed in their action by Mr. Lake, the chief clerk of the inspection division, who would have to examine into any reports of that character. There is nothing else that I want to state, except that Mr. O'Brien was removed. Mr. Hopkins told me that he saved him twice by going personally to the Postmaster-General and stating that he believed him to be as honest a man as there was in the Department, that he had been of great assistance to him, but that after he had been sent away on other duty, Mr. O'Brien was requested to resign, and did resign.

Q. Were any charges specified?—A. None, sir; he refused to tender his resignation, in the first instance; said he would appeal to the President, and demand an investigation. The request for his resignation was then withdrawn, and he resigned and received thirty days' leave of absence, with pay. Mr. Hopkins told me if he had been here he would not have permitted it.

Q. You were personally acquainted with Mr. O'Brien?—A. I have known him for years.

Q. What was his character for integrity and capacity?—A. Well, sir, I can only say that O'Brien had been an officer in the Regular Army, and so far as I know was a man of integrity and ability. I knew him as I knew nearly every other man in the Department. If there were any charges against him I do not know it. Mr. Hopkins ought to know; he worked with him.

Q. Did Mr. Hopkins give any ground that was assigned for his removal, the two times that he had saved him, or who was trying to remove him?—A. He did not. He told me that he expected he would be removed himself for the action he was taking in working up the Peterson contracts.

Q. You have already stated the connection that Peterson had with Gen. Giles A. Smith. State whether a controversy arose between Mr. Woodward and some parties in the Department, as to the remission of these Peterson fines, and what influences Peterson brought to bear to have those fines remitted; whether the influence of any Senators, Representatives, or other outside parties. I want not only your actual knowledge upon that; but any side information you have.

Mr. CANNON. Do these matters appear of record?

Mr. MCMAHON. This does not appear of record.

A. The accounts of Mr. Peterson were understood in the Department to be suspended. I think Mr. Hopkins was working up the Peterson frauds in April or May last with Colonel O'Brien. The developments in relation to those frauds in Mr. Woodward's possession had caused the suspension of his pay-accounts for the March quarter. I was made aware of the fact from H. E. Offley, a banker on the corner of F street and Fifteenth, calling upon me to know what the trouble was with Peterson's accounts. He said that he understood that the warrants which had been issued in settlement of those accounts were held up by the Postmaster-General on his desk. He told me that he had been discounting orders against Peterson's mail-pay; that Peterson had been introduced to him by General Morgan L. Smith, and that he had heretofore had no trouble in collecting his money; that J. J. Martin, Sixth Auditor of the Treasury, had told him that those orders would be all right, that is, previous accounts, when he had been introduced by General Morgan L. Smith.

By Mr. STOWELL:

Q. These suspended orders?—A. O, no, sir; prior orders. He was explaining to me how he happened to be dealing in orders for Peterson's mail-pay. He stated that he

held an order for \$1,900 or thereabouts; that he had taken the order under peculiar circumstances; that Morgan L. Smith, at the time of his death, owed him \$800, (if I remember the amount correctly;) that Peterson agreed, if he would discount this \$1,900 order, to settle Mr. Morgan L. Smith's account with the bank. Morgan L. Smith was a brother of the former Second Assistant Postmaster-General, Giles A. Smith. Mr. Kittle came to me and told me that a telegram had been received by Mr. Tyner, from Senator West, of Louisiana; that he had seen the telegram and that it had been referred to Mr. Woodward. The telegram was asking what the trouble was with Dr. Peterson's mail-accounts. Senator West, within a few days, appeared in the Department, and was in and out for a number of days. That I state of my own personal knowledge. He was there and had frequent interviews with the Postmaster-General. Offley told me that he, Offley, got his money; that his warrant was paid; that he knew enough of the situation to know that other interested people would make the fight, and that he would get his money; that he would come in with the rest; but that he should not touch any more of that kind of paper.

Q. Who was Dr. Peterson? Give us a little history of him; who he was and what his connections and associations were.—A. I think I did tell all I know about Dr. Peterson in my previous examination yesterday. If you desire, I can give you the numbers of these routes that these fines were worked up on. Perhaps, as I have made a statement in relation to them, it would be better that the committee should have them, so that they may verify that statement. These are Peterson's routes: Route 8031, Louisiana; 8063, 8066, 8067, 8881, 8117, and route 7505, Arkansas. I would state to the committee that new contracts were entered into with Dr. Peterson from the 1st of July, 1875. One was on the route from Red River Landing to Shreveport; I haven't the number of it. I think it is 4127, but I am not certain; and on three or four other routes, all land-routes, however. This Red River and Shreveport route is a land-route, along the south bank of the Red River, the same route on which he received \$41,200 under the letting which you have been examining into. I don't know the number of those other routes. Colonel O'Brien can tell you. I haven't got the termini of them. I think three of them are in Southern Arkansas.

Here the committee took a recess.

WASHINGTON, D. C., *February 9, 1875.*

AFTERNOON SESSION.

T. M. HOLBROOK: examination continued.

By the CHAIRMAN:

Question. In the letting of the mail-contracts, in regard to which you have been testifying, was there any violation of law to which you can turn in the records before you; if so, what are they?—Answer. I was asked this morning to turn to a record which I was unable to turn to at the time. This book is the route-register for Louisiana, 1871-'75. On page 418 I find mail-route 8117, from New Orleans to Red River Landing, steamboat-route, 210 miles and back, three times a week. This record shows that, on the 17th day of May, 1873, a contract was ordered with B. H. Peterson, of New Orleans, for carrying the mails on this route three times a week, from the 17th of May, 1873, to the 30th of June, 1875, at \$5,775 per annum. This record shows that no bids were received on this route, and that this contract was made with Peterson with the knowledge which I possessed and had furnished the Department, and which was known to every man in the Department, that Peterson was not a steamboat-owner.

Q. If that action of the Department was in violation of any law, please read the law.—A. It is a direct violation of the statutes of the United States, (Revised Statutes, section 3943, which will be found in the Appendix.)

The Attorney-General of the United States, in the document now before me, (Mis. Doc. 53, 42d Congress, 2d session,) in a letter addressed to Postmaster-General Creswell, which is embraced in the same document, (and which will be found in Appendix,) in reference to the letting of land-contracts, quotes the law that I have read here, with this comment: "This section gives to the Postmaster-General exceptional authority to contract for steamboat-service in certain cases, and under which you have the power of contracting at once for that sort of service, without the re-advertisement and formalities prescribed in the case of the general service." Of course I am not capable of giving a legal opinion on the subject. I don't suppose the committee want my opinion.

Q. If B. H. Peterson conspired with other persons, steamboat-men or others, to defraud the Government in carrying the mails, can you refer to the law by which they

can be punished?—A. There is such a law on the statute-book; section 5440 of the Revised Statutes. (It will be found in the Appendix.)

Q. You stated this morning that the Peterson contracts were not annulled; how do you know that fact?—A. From Col. E. F. O'Brien, the inspection-clerk for the States of Louisiana and Texas. He was the clerk in the inspection-office of the contract-office, having charge of the examination of the registers of the performance of service, and by whom the certificates upon which the contractor received his pay were made out for the signature of his superior officer.

Q. I understood you also to say that the steamboat-contract for carrying the mail on the Red River was annulled, and that there was a contract given to Peterson to carry the mail by land from the mouth of Red River to Shreveport.—A. The records so show.

Q. Did those two things occur simultaneously, or one immediately after the other?—A. I cannot answer that question; I don't know.

Q. Do you know why the Red River contract by steamboat from Red River Landing to Shreveport was annulled?—A. I suppose because of the development of the fact that he was paying \$7,800 for service for which the United States Government paid him \$30,000 a year—the development of that fact by the McKibben investigation by the Post-Office Committee of this House, in the winter of 1871-'72.

Q. Do you know what was the difference between the price paid for carrying the mail by land, and the price paid for carrying it by steamboat on the river?—A. There may have been some land-service upon the south bank of the Red River during the time that the steamboat-contract existed. I know from the records of the Department that Peterson received \$41,200 for the land-service, after the abolition of his steamboat-contract.

Q. Has Peterson any contracts now?—A. I understand he has five, made with him since the 1st of July, 1875, one of which is this land-route on the Red River.

Q. Do you know of any payments made to Peterson, or on his account, after Mr. Woodward told you that he was satisfied of Peterson's frauds?—A. I testified to that this morning. I have no further information than I then gave.

Q. What was the statement you then made?—A. A statement of evidence obtained from H. G. Offley, the banker, as to his receiving his pay; and from Mr. O'Brien as to the settlement of Peterson's account.

Q. Did you tell Mr. Woodward of any other frauds in mail-contracts by steamboat?—A. I did, sir; and he informed me that he was already aware of them and was working them up. One of those was a route upon which a fraudulent sum was alleged to be paid, route No. 6462, between Baltimore and New Orleans, semi-monthly service. The Postmaster-General's report for 1871, page 43 of the appendix, shows that that service cost \$31,000 per annum. That is not the exact amount that the service cost when Mr. Woodward and myself talked about it; the report for 1874 will show that.

Q. And Mr. Woodward told you that he was aware of the fraud in that contract?—A. No, sir; he told me that he was then working on that route and others.

Q. What conclusion did he arrive at in reference to them?—A. The contract was annulled. Another one of those routes was No. 6478, from New York to Key West. The pay at the time I refer to was the same as the pay on the route from Baltimore to New Orleans, \$31,200 per annum, and I think the service was twice a week from New York, and only twice a month from Baltimore. The third route was No. 4736, from Washington to Norfolk, Va., by steamer. That contract was also annulled upon Mr. Woodward's investigation; and I was informed that the service was restored last August.

By Mr. WADDELL:

Q. To the same contractor and at the same amount?—A. No, sir; the pay on the Washington and Norfolk route is \$9,000 a year for three times a week service. The fourth of those routes is No. 6500, from New Orleans to Key West, at \$76,000 a year. That route was discontinued, and a new service established from Cedar Keys, Fla., to Key West. In relation to those contracts Mr. Reeside can give you all the facts. He worked with Mr. Woodward on them.

Q. Who were the parties that were sent to work up these contracts that you have mentioned?—A. I think the frauds were so evident that they were worked up in Washington here, by Mr. Woodward and Mr. Reeside, without sending out any special detectives. That is not true, however, of the route from New Orleans to Key West. A special agent of the Department was detailed for some weeks or months, I think, working upon that route. That agent was B. H. Camp, a special agent from Connecticut.

Q. How long had those mail-contracts, which you speak of as fraudulent, and as having been annulled, been in existence?—A. If I stated that the contracts were fraudulent, I desire to correct that statement. I do not know that they were fraudulent. They were unnecessary and exorbitant contracts. I have no knowledge of any fraud in connection with any one of those routes.

Q. Was the conclusion arrived at, in the investigation of those routes, that they were and had been unnecessary, and that the prices were exorbitant?—A. I think that there is no doubt of that. Mr. Woodward told me that every post-office on the route from Norfolk to Washington had a supply aside from the river-supply. I think there is a gentleman there on the sofa who can tell you something about that route.

Q. You mean to say, then, that all the points that were supplied by steamer by this ocean-route had other mail-facilities?—A. Not the ocean-route; the route on the Potomac. Mr. Woodward told me that every office on the line had their supply.

Q. How long had those different routes, for which exorbitant prices were charged, and which were considered unnecessary, been in existence?—A. I don't know, sir. The route from New Orleans to Key West, the \$76,000 route, must have been established after Mr. McLellan's time, (the former Second Assistant Postmaster-General,) for he told me that the route was a fraud, and that all the mail on it could be carried in a man's coat-tail pocket. I only draw the conclusion that it was established after his time from that statement on his part.

Q. Those routes were in existence, then, during Mr. Creswell's administration of the Post-Office Department?—A. They were, sir.

Q. They were re-advertised and relet during his administration?—A. The route from Baltimore and the route from Washington to Norfolk, and the route from New Orleans to Key West, were. About the New York line I cannot say. I know that the route from New Orleans to Key West was. I know that from the records the Department, which show that C. C. Huntley, a stage-contractor in Montana, received 10 per cent. of the pay on that route, for some interest that he had growing out of the letting of 1870. It was negotiated with Lewis Johnson & Company each quarter. Mr. McLellan told me that McKibbon, the witness in the McKibbon investigation, told him that he had received \$4,000 out of the pay on that route, as attorney's fees, after the close of that investigation.

By Mr. WADDELL:

Q. Can you remember what the amount received by Peterson for all his mail-routes was?—A. I cannot.

Q. Do you know how many routes he had and how much he received?—A. I do not know. I would suggest that that evidence can be obtained from the records of the Department very much better than from any guess that I can make. It would be purely a guess on my part.

Q. I have seen it stated in a paper this morning that the reason of your being asked for your resignation was that you communicated with the correspondent of the New York Sun; state whether that was true or whether you were so informed. I understood you to say in your testimony that no reason was assigned for asking your resignation.—A. No reason was assigned.

Q. But I understood you to say from expressions used by Peterson, your inference was that it was for interfering generally with his arrangements in the Department—that he had boasted that he had to have this thing done in order to protect himself.—A. I have given my authority for that opinion, sir.

Q. And there was nothing said about your having given away information to anybody at the time your resignation was asked for or received?—A. Nothing, sir; I repeated here word for word, I think, the language that passed between the Postmaster-General and myself.

By Mr. CANNON:

Q. Can you give the number of the route from New Orleans to Saint Francisville?—A. The route in 1871 was 8003 Louisiana, according to the Postmaster-General's report.

Q. When was that route established?—A. I cannot say.

Q. How far is Saint Francisville from New Orleans; where is it from the mouth of the Red River? Is it above or below?—A. It is below the mouth of the Red River. The records show that it is 170 miles from New Orleans, while the mouth of the Red River, as shown by the report for 1875, is about 280 miles from New Orleans; so that Saint Francisville is about 100 miles south of Red River Landing.

Q. Have you ever examined the bids at the letting of 1871, upon that route, which are on file in the Department, and the record evidence contained in the inspection division, in reference to the same?—A. I have examined it in the official record, which is here before Mr. Stowell.

Q. This is the printed book?—A. Yes.

Q. Is that the same as the evidence in the office?—A. I cannot say.

Q. As a matter of practice, is the whole thing set out in the book?—A. Yes; this is furnished to Congress under the law, and is supposed to be a transcript of every bid, and of the action taken by the Department in relation to the letting.

Q. Are the recommendations upon which service is increased or decreased in the practice of the Department printed too?—A. They are not, sir.

Q. What other matters are there in reference to that kind of service, which are not printed, if any?—A. Do you mean in relation to letting mail-routes?

Q. I want to find out how much is printed and how much is not.—A. That is the only record of that character that has been published during this administration since 1869, to my knowledge. The publication was suppressed for some reason.

Q. This is from 1871 to 1875?—A. No, sir; that is the contract-term, from 1871 to 1875. It was published at the second session of the Forty-third Congress, I think.

Q. You say the publication was suppressed; what do you know about that?—A. Mr. Lowrey, the man who makes up the records in the contract-office, stated to me that he and Mr. Childs, the former chief clerk of the contract-office, had made repeated efforts to have that evidence printed, for there was a great deal of labor to make it up, and that they had made repeated efforts to have them printed but had never been able to succeed. Colonel Knowlton, the chief clerk under Postmaster-General Jewell, wrote a personal letter, which is in this committee-room, calling the attention of Congress to the necessity of printing it.

Q. Do I understand, then, that this report was suppressed by the Department, or was it for the want of an order from Congress that it was not printed, or don't you know?—A. In one instance Congress ordered a report to be printed, and the Congressional Printer sent to the Department for the manuscript. The messenger of the Postmaster-General reported that he had delivered the manuscript at the Speaker's room, a mass of matter some three feet high, and it had disappeared and was never found.

Q. Who was that messenger?—A. His name is Gordon. He is the present messenger of the Postmaster-General. This was in 1872.

Q. When was this report printed?—A. During the Forty-third Congress, I think.

Q. This is the first report?—A. It is the only report to my knowledge, or so far as the officers of the Department are able to ascertain, that has been printed since 1866.

Q. Do you know, of your own knowledge, whether the printing of this report was suppressed by the Post-Office Department, or whether it was not printed because of the want of an order of Congress, or the want of an appropriation?—A. I have stated already that, so far as my information goes, the report is made each year, in accordance with law, to Congress. The only instance in which I know of its not being printed, when ordered by the House of Representatives, is that which I have mentioned when this manuscript disappeared. That was in 1872, I think, the report following that one.

Q. Was any step ever taken by Congress to supply that report, or have it supplied?—A. Not that I know of. Mr. Lowrey says he knows of no action.

Q. Do you impute blame to the Postmaster-General on account of that report not being printed, or if blame exists does it lie at the doors of Congress?—A. I do not impute blame to anybody.

Q. Is it not true that if that report was not printed, it was because Congress did not order it printed?—A. No, sir; it is not true in the instance I have just cited. Congress did order it printed in that case.

Q. Then it is true in the other instances?—A. I cannot answer that; I suppose the journal of the House will show.

Q. Have you any personal knowledge as to this report being lost, or are you speaking from what you have heard?—A. I am speaking of the current reports in the Department. My information was received from Mr. Lowrey.

Q. Have you any personal knowledge about it?—A. I have stated to the best of my ability what my knowledge is.

Q. Have you any *personal* knowledge about it?—A. None whatever, except what I have stated.

Q. That is what somebody had told you about it?—A. It is, sir.

By the CHAIRMAN:

Q. Was it an officer in the Department told you?—A. Yes, the officer who has charge of making up the report.

By Mr. CANNON:

Q. Please read all there is in relation to that route 8014, [handing witness.]—A. [Reading.] "Route 8014, New Orleans to Saint Francisville, 170 miles and back, twice a week in steamboat. Proposals invited for three times a week service. Bidders' names; sum per annum. Charles C. Pickett, \$52,000; James B. Price, \$18,000; \$24,000 three times a week. John N. Cannon, \$16,000; \$24,000 three times a week. James B. Price, \$12,000; \$20,000 three times a week. Peterson and Searles, \$11,000; \$14,350 three times a week. Jacob A. Pulver, \$5,500, accepted March 30, 1871. Contract drawn and sent to Jacob A. Pulver, dated March 30, 1871, at \$5,500, but never executed. Contract of B. H. Peterson, of New Orleans, from July 31, to December 31, 1871, or until otherwise ordered, at \$16,000 per annum. July 22, 1871, modify order of July 15, 1871, by adding 'on account of accepted bidder having failed to begin service, and re-advertise route; failing bidder being liable.'

"Leave New Orleans on Fridays, at 9 a. m., arrive at Saint Francisville next day at 9 a. m.; leave Saint Francisville Wednesday and Saturday, at 10 p. m., arrive at New Orleans next day, at 10 a. m."

Q. Have you any personal knowledge in reference to that route except what you found from that report?—A. I have, sir.

Q. I am speaking about this letting. Have you any other personal knowledge in reference to that?—A. No, sir; I have not.

Q. You have testified before, I believe, in regard to this route?—A. I do not know that I have. I cannot say. I will call your attention, if you will permit me, to the fact that Peterson & Searles, who are the same person as B. H. Peterson, bid \$14,350 on that route, and that the contract was afterward made with Peterson at \$16,000.

Q. You say that Peterson & Searles are the same persons as Peterson. Please state what you know about that.—A. I say that they are the same contractor.

Q. Do you know that of your own knowledge?—A. I know it from the fact that Peterson draws the pay for Peterson & Searles, and "Peterson & Searles's" routes are recognized as Peterson's routes in the Department.

Q. How recognized?—A. By permitting him to transact all business in connection with them.

Q. Do you know whether he has a power of attorney or not?—A. I do not.

Q. If he had a power of attorney and was acting as the agent of Peterson & Searles, then the relation would be that of principal and agent instead of their being the same party, would it not?—A. Hardly, when his name appears as one of the firm. He would be a partner.

Q. I understood you to say that he did not appear as one of the firm.—A. Yes; it is Peterson & Searles.

Q. I am speaking now as a bidder.—A. I was speaking of the bids of Peterson & Searles.

Q. Do you know Mr. Searles?—A. I do not. I have never seen him to my knowledge.

By the CHAIRMAN:

Q. Do you know any one who knows Mr. Searles?—A. I have no knowledge in relation to Mr. Searles.

By Mr. CANNON:

Q. Do you know John N. Cannon?—A. I do. I have seen him. He is the captain of the Robert E. Lee, running between Vicksburgh and New Orleans, in the line with Captain Leathers.

Q. Why did you call attention, when it was shown that this contract had been let to Peterson at \$16,000, to the fact that Peterson & Searles had bid prior to that at \$14,350?—A. Because I supposed you might not know what I know, that Peterson and Peterson & Searles were recognized as the same parties.

Q. But what significance has that fact to which you called attention, that their bid, at first, was \$14,350; that there was a lower bid by Pulver at \$5,500, which was not executed, and that afterward the contract was let to Peterson at \$16,000?—A. I called attention to it because it struck me as rather singular that a contract should be made with Peterson at a higher rate than is represented by his bid.

Q. Under the law in existence at that time, after the service had been let to Mr. Jacob A. Pulver, were Peterson and Searles held to their former bid?—A. They were not.

Q. Was Cannon held to his bid, or Price to his at \$12,000?—A. No, sir.

Q. Those bids were all "off" under the law?—A. They were, as I understand it.

Q. The law made them "off"?—A. No, sir. As you will see by the document before you, it had been treated as optional with the Postmaster-General, whether he would go up the line of bidders or re-advertise.

Q. Do you not know that the law, as interpreted by the Attorney-General at that time, was that the lowest bidder had to have the contract, and, if he failed to execute it, that there was nothing left open but to put on temporary service, or re-advertise, or both?—A. I am aware that Attorney-General Akerman gave such an opinion as to the effect of the law of March 3, 1845, to which his attention was called by Mr. Creswell.

Q. You say that the Postmaster-General had the discretion to run up the bids at that time and let the contract to the next higher bidder without re-advertising?—A. Under the law of March 3, 1845, according to the custom of the Department, he had that privilege.

Q. You are speaking now of the law in existence at the lettings in June or July, 1871, as interpreted by the Attorney-General of the United States, which bound the Post-Office Department; and I ask you whether, under that interpretation, the Postmaster-General had the right to go to the next lowest bidder, after the lowest bidder had failed?—A. I think that perhaps you may not be aware, Mr. Cannon, of the fact that the opinion of the Attorney-General, in the document before you, is given upon the construction of the law of March 3, 1836, to which his attention, in that document, is specially directed by the Postmaster-General; no mention being made of the act of March 3, 1845, which was published with the advertisement for that service. I have

before me the advertisement in which the Postmaster-General publishes all the laws bearing upon the lettings.

Q. Are you a lawyer?—A. I am not, sir. I am a practical post-office man.

Q. I understand you to be stating what the law was?—A. No, sir; I am answering your question to the best of my ability. You ask me my opinion as to the construction of a law, in view of the opinion of the Attorney-General rendered upon that law.

Q. And you have said, as I understand it, that the Postmaster-General had the right to run up the bids after the lowest bidder had failed; now I wanted to see whether he had that right or not?—A. I so understand it.

Q. Do you know it?—A. I know it well enough to do it myself if I were in his position.

Q. But I am asking you whether the law required or permitted him to do it at that time?—A. I stated a few minutes ago that, in the opinion of the officers of the Department, it was left optional with the Postmaster-General, under the act of March 3, 1845, upon which I have never seen an opinion of the Attorney-General; his attention having been called to an absolute law of July 2, 1836, by the document before you.

By Mr. WADDELL:

Q. Had not the Postmaster-General already taken official action some six days before he got the Attorney-General's opinion, in accordance with what the Attorney-General's opinion turned out to be?—A. The records so show. The document before you, Mr. Cannon, shows that on the 13th July, 1871, these contracts, many of them, were made, and the letter to the Attorney-General, in that document, is dated July 19, 1871, six days after the action of the Department as shown by the records. That is all I know.

By Mr. CANNON:

Q. Do you not know that it is very often the practice of the Postmaster-General, and of other officers of the Departments, to refer questions to the proper law-officer not by a formal communication, and then afterward, in order that everybody may know what the law is, to refer the same questions formally?—A. I so understand it.

Q. Refer to that section of the act of 1845 of which you have spoken.—A. It is section 18 of the act of March 3, 1845.

Q. Do I understand you to say that the opinion of the Attorney-General, which he gave in this matter, was not directed to that act?—A. I did not intend to so state. I have stated that his opinion was asked upon the construction of the law of July 2, 1836.

Q. Did you ever read his opinion?—A. I have read it, sir.

Q. I believe that is it. [Handing the witness a document.]—A. Yes, sir; that is it. You will understand that I did not intend to state that the Attorney-General did not mention that law of 1845. I did intend to state that his attention was specially called to the operation of the law of July 2, 1836, in the communication upon which his opinion is based.

Q. Did not you intend to convey the impression that the Attorney-General had not had in view, at the time he gave this opinion, the law of 1845; was it not the object of your statement to convey that impression?—A. No, sir. My own understanding is that the opinion of the Attorney-General—

Q. That is not the question. I ask you if you did not intend to convey the impression that the Attorney-General's opinion was not directed to, and he did not take into consideration, the act of 1845, at the time he rendered this opinion?—A. I had no desire to convey any impression other than the true one, and that is that his opinion was asked upon the construction of the law of July 2, 1836.

Q. Be kind enough to read from his opinion, from that point, [indicating.]

The WITNESS. [Reading from Mis. Doc. 53, Forty-second Congress, second session, page 3.] "The act of July 2, 1836, section 24, 5 United States Statutes, 86, and the act of March 3, 1845, section 18, 5 United States Statutes, 748, gives the contract to the lowest bidder"—

Q. That is all that I desire you to read now. Then the Attorney-General did have his attention called in some way, or did take notice himself, of the 18th section of the act of 1845, at the time he gave that opinion, did he not?—A. He unquestionably took notice of it, sir.

Q. Yet you say that after this opinion was received the Postmaster-General had the right, upon the lowest bidder failing to execute his contract, to go to the next lowest bidder?—A. I say that he had a right to go up the list according to the usage of the Department. If I have placed myself in the position of defining the duty of a Postmaster-General by the answers that I have made, I desire to correct that impression. I make the statement that it is my impression, rather than an expression of opinion as to the duty of the Postmaster-General, my superior officer at that time. I do not desire to express an opinion as to his duty.

Mr. CANNON put the opinion of the Attorney-General, accompanied by the letter asking for it, in evidence. They will be found in the Appendix.

By Mr. WADDELL :

Q. Please read that section of the act of 1845.—A. [Reading.] “That it shall be the duty of the Postmaster-General, in all future lettings or contracts for the transportation of the mail, to let the same in every case to the lowest bidder tendering sufficient guarantees for faithful performance—without other reference to the mode of such transportation than may be necessary to provide for the due celerity, certainty, and security for such transportation; nor shall any new contractor hereafter be required to purchase out, or take at a valuation, the stock or vehicle of any previous contractor for the same route.”

By Mr. CANNON :

Q. Do you know how many of those bidders on route 8014 were straw-bidders?—A. I do not.

Q. Do you know whether any of them were?—A. I do not, except the evidence that one of them gives himself by failing to contract; that is all I know about it.

Q. Do you know whether John W. Cannon, James B. Price, and Peterson, and Searles confederated together to put in these bids?—A. I do not; I haven't any knowledge about that.

Q. Do you know whether Peterson and Searles at that time represented John W. Cannon?—A. I do not.

Q. Do you know whether they were authorized to act as Mr. Cannon's agents?—A. I do not; you are asking for my direct knowledge?

Q. Yes, sir; Mr. Cannon was the owner of a steamboat at that time, was he not?—A. Captain Cannon was the owner and commander of a steamboat. His boats, however, could not do that service. This was for way-service between New Orleans and Saint Francisville, or Bayou Sara, which is the landing.

Q. Is there anything else about route 8014 that you know, that you have not told?—A. I do not know that there is.

Q. You speak of going south to visit a number of post-offices as a special agent; you were sent for that specific purpose?—A. I was.

Q. You made a report about your trip down there, in writing?—A. I made a report of all matters connected with my special duty.

Q. That report was in writing?—A. I made reports of each case; those reports were in writing.

Q. And referred to these respective post-offices?—A. They did, sir.

Q. Was that the only written report you made?—A. No, sir; I made a report in reference to the failure of the Robert E. Lee, commanded by J. W. Cannon, to supply the offices on Davis's Bend on the route from New Orleans to Vicksburgh.

Q. Those were three offices, I believe?—A. Yes, sir.

Q. That report was filed in the Department?—A. It was, sir.

Q. Was there anything else in the report except in relation to those subjects?—A. Nothing, except in relation to that supply.

Q. John W. Cannon, the commander of the Robert E. Lee, was he connected with Peterson at that time?—A. Not that I am aware of.

Q. Then that was Captain Cannon's failure and not Peterson's?—A. It was the failure of the Robert E. Lee as a boat, doing half the service of that route; whom she represented, I do not know.

Q. Did you make any further written reports at that time in relation to anything that you observed on that trip?—A. O, I was making reports all the time.

Q. On that trip, I speak of.—A. Yes, sir. I made a report on the Saint Francisville office.

Q. You have spoken of the offices already.—A. I made one other report. When I reached the office at Marshall, Texas, to investigate the condition of that office, I found in the corner of the room a large pile of papers and letters. I asked for an explanation, and was told that the contractor on that route had not taken the mail for some six weeks. That was a short route out of Marshall, Texas, running to Tyler, I think, or in that direction.

Q. Who was the contractor?—A. I do not remember now.

Q. Was that report filed?—A. I perhaps ought to state all the action I took in connection with it. I don't know whether that report is in the Department. It was made there. I made a contract myself. I went to a livery-stable, had the mail done up in bags, with a separate bag for each office on the route, and made a contract for \$80, I think, to take those bags out, deliver them at the post-offices, and bring receipts for them. I had him sworn. I reported the fact to the Department, and the postmaster at Marshall was allowed the amount that he paid this livery-stable man, and my action was approved. That report was in writing.

Q. Did you make any other report on that trip?—A. All these questions are in relation to mail-routes, are they not?

Q. Certainly.—A. No, sir; I did not.

Q. Now, you were a special agent, and it was your duty to report any irregulari-

ties that you found, to the Department?—A. I was a special agent assigned to the money-order branch of the Post-Office Department; my duties were assigned to me by Dr. McDonald.

Q. You were sworn?—A. I was sworn and under bond.

Q. As an officer of the Government?—A. Yes, sir.

Q. Was it not also a part of your duty, if anything else outside of the money-order business came under your notice while you were investigating that, to make a report to the Department?—A. That is a question that is rather hard to answer.

Q. Didn't you take the burden of that upon yourself while you were down there?—A. I did in some instances. It was not strictly my duty.

Q. Did you make a report of these matters—a written report?—A. I did.

Q. Where is that report?—A. They were filed in the Department; the reports I have just referred to.

Q. We are speaking now of the post-offices and of this Marshall matter.—A. O, my reports are all in the office of the superintendent of the money-order office, filed under my name, with my bond, I suppose.

Q. You speak of seeing the mails carried on the forward deck of a steamer on Red River. Did you make a report of that?—A. I did not.

Q. You spoke of having conversation with the clerk of that boat, who said that the United States Government might go to h—l with the mails; that they were forced to do the business through middlemen, and didn't care much about it anyhow. Did you make a report of that matter in writing?—A. I did not.

Q. Who was that clerk?—A. I don't know, sir; I don't know his name.

Q. What was the steamboat?—A. I don't know the name of that. As I stated in my direct examination, I was on several boats of that line on my way up.

Q. What year was it?—A. It was in the spring of 1871.

Q. Who had the contract at that time for that route?—A. Dr. B. H. Peterson. So the president of the line informed me.

Q. I understand you to say in your examination-in-chief that you did tell these verbally to Giles A. Smith, then Second Assistant Postmaster-General?—A. I reported to Giles A. Smith verbally what I stated in my direct examination in relation to this route.

Q. You reported this conversation, didn't you?—A. I cannot say that I did.

Q. You did not tell him of that?—A. I cannot say that I did.

Q. He was your superior officer at that time, was he not?—A. I was not under his control. I was in the money-order office.

Q. At the same time I believe you stated in your examination-in-chief that you told Mr. Giles A. Smith that Peterson was openly trading upon his name down there?—A. I did.

Q. Did you have a talk with Peterson while you were there?—A. I saw him once.

Q. Did you converse with him about this matter in relation to Mr. Smith?—A. I did not.

Q. Did you report these facts which came under your notice as a special agent of the Department to the Department in writing?—A. I did not.

Q. I believe you stated that you called Mr. Giles A. Smith's attention to these reports, and what did he say?—A. I don't think I gave his reply.

Q. Did he make any reply?—A. Some reply. I cannot state definitely what that reply was.

Q. It was a mere verbal conversation?—A. It was.

Q. Was there anybody present?—A. There was not.

Q. And you don't recollect his reply?—A. I do not.

Q. I believe you stated in your examination-in-chief that Mr. Giles A. Smith never forgave you for it?—A. He never treated me in the same manner afterward.

Q. Do you know whether it was about that or something else? Did he ever tell you?—A. There never was anything that transpired— Mr. Bangs—

Q. Did he tell you so?—A. He did not.

Q. Where is Mr. Smith now?—A. In California, I think.

Q. In San Francisco?—A. No, sir; I think he owns a ranch in Southern California, near San Diego.

Q. Did you ever go to Mr. Creswell, the Postmaster-General, and tell him about this matter?—A. I did not.

Q. You spoke with Mr. Smith?—A. I did.

Q. Were you not aware that if you wanted your report, as a special agent, of these frauds which you claimed existed, and which I presume did, to be considered, it was your duty to make a written report of that matter to the Department? Was it not a part of your duty to do so, as one of its sworn officers and as a special agent of the Department?—A. It depends a good deal upon the circumstances, I think.

Q. I am asking you, under these circumstances?—A. Well, sir, if I desired to sever my connection with the Department at that time, I should perhaps have thought it was my duty to do so.

Q. Do you state, however, that you desired to hold your place and so let your duty go?—A. No, sir; I meant to express that I would not go out of the line of my direct duty to forfeit my position.

Q. Yet you had considered it your duty to take cognizance of these matters, and report them verbally?—A. General Smith was my friend, sir; and I believed it my duty to him not only as an officer, but as a friend, to let him know, he being the responsible officer, of the condition of things which existed there, that he might correct it.

Q. When he failed to correct it, it made an impression upon your mind that Peterson was a favorite man with him?—A. That impression was made before.

Q. Still he was your friend at the time?—A. Yes, sir.

Q. Did you call a man your friend who you had the impression, and were satisfied at the time, was guilty of frauds against the Government, and he holding that high position?—A. I have not made that charge.

Q. O, you do not make the charge of fraud against Mr. Smith?—A. I have never made the charge that, at that time, I believed that General Smith had any corrupt connection with Mr. Peterson. My first knowledge of Mr. Peterson, as I stated upon the direct examination, or of his contracts, grew out of my trips through the Southwest in 1871.

Q. I am talking about Mr. Smith; I understand, now, that you do not make any charges of fraud against Mr. Smith?—A. I do not intend to give you that impression.

Q. I want you to fix it one way or the other, I don't care which way.—A. Well, sir, I say that at that time I did not believe that General Smith had any corrupt connection with B. H. Peterson.

Q. Do you know that he ever had any corrupt connection with him?—A. I do not, except from circumstantial evidence.

Q. The whole tenor of your evidence is to charge him with corrupt connection; didn't you aim to convey that impression?—A. I aimed to convey no impression, except the impression that might grow out of the statement of facts, which I believe to be true, and which I have testified to under oath.

Q. When did you first report to the Postmaster-General this matter in reference to Mr. Smith and Peterson?—A. I never made any report to the Postmaster-General.

Q. Did you ever talk with him about it?—A. I never did. I never talked with Mr. Creswell at all on more than one or two occasions.

Q. You made no written report, nor you never made an effort to have what you conceived to be a wrong righted, even after Mr. Smith failed to shut off Peterson?—A. From the fact that the transactions were made public soon after my conversation with General Smith. The information was furnished to the Postmaster-General through the press of this city.

Q. What information?—A. Information as to frauds perpetrated in mail-contracts in the letting of 1871.

Q. Do you mean of straw-bids and the frauds from straw-bidding?—A. I do.

Q. That has been reported for a number of years?—A. That was the first report that I saw in 1871.

Q. It has been reported from that time to this?—A. Yes, sir; it has.

Q. I am speaking now of this specific matter; I want to know whether you ever reported this specific matter to the Postmaster-General?—A. I did not.

Q. When did you first report it?—A. I never reported it to him.

Q. When did you first report it to anybody outside of the Department?—A. I never reported it to any one until I gave the information to Mr. Luttrell and Mr. Stone in the Forty-third Congress.

Q. What time in the Forty-third Congress?—A. As soon as I was brought into contact with them.

Q. What year was it?—A. It was in 1874, I think.

Q. What induced you to hold your peace from 1871 until 1874 and then make the report?—A. I was very well aware of the fact which you also were aware of, that this subject had been investigated.

Q. No, I am not aware of it now.—A. I thought you were; I beg your pardon. The matter was very thoroughly investigated, or supposed to be so, by the congressional investigation of 1871-1872, in which the facts were developed which I was cognizant of.

Q. These facts that you have been telling, then, came out in the investigation of 1871-1872 substantially, in reference to these fraudulent contracts?—A. I never read the testimony. I don't know how much of it came out. The subject was before the committee.

Q. And a thorough investigation was made and the matters came out?—A. I mean to state this, that the subject was before the committee, and up to the time of the failure of the witness McKibbin to testify, I understand that the investigation was a thorough one, (I am not speaking from positive knowledge,) in relation to the fraudulent transactions in the Southwest growing out of the mail-letting of 1871, the Peterson contracts, and others. I think, if you will recall my direct examination, you will find that I stated to the committee that Captain Leathers told me when he called my

attention to these things, that a committee of steamboat-men were then in Washington to lay these matters before the Department.

Q. Now, in reference to Captain Leathers, you say he complained to you about Peterson?—A. He did, sir. That was in the spring of 1871, February or March, I think.

Q. Was it before or after these bids were put in on route 8006?—A. It was before those bids were disposed of; I don't know whether it was before they were put in or not.

Q. Repeat again what it was that Captain Leathers told you about that.—A. He told me among other things that he considered it a great outrage that they could not contract directly with the United States Government; that they could get no contracts, except through B. H. Peterson; that a delegation of steamboat-men were then in Washington to lay the matter before the Department.

Q. Did not Captain Leathers tell you at that time that he had not, since the war, put in a bid?—A. He did not.

Q. Did he tell you that he *had* put in a bid?—A. He left an impression upon my mind that he had failed to obtain contracts.

Q. Then, if I was to tell you that he testified that he had not put in a single bid, that impression would be removed?—A. If he testified that he had not put in any bids and made no efforts to obtain contracts, it would.

Q. Didn't he tell you in that same conversation that he and Mr. Cannon and another man—three steamboat-owners—had given this very man Peterson a power of attorney to act for them in getting their contracts?—A. He did not, sir.

Q. Didn't he tell you in the same conversation that not only that, but that they had written a letter to the Postmaster-General that Peterson was their only accredited agent; and not only that, but that they would not carry the mail for anybody else except Peterson?—A. He did not.

Q. If I should tell you that he testified to substantially that, you would think there was not much reliance to be placed upon the statements he made to you?—A. No, sir; I should think that he had been forced into making such an arrangement as that, after he had expressed himself as he did to me.

Q. Yet he expressed himself to you so in February or March?—A. Yes, sir; I think so. My impression is that it was in February; I know I came to Washington and found the delegation of steamboat-men here.

Q. Do you know what they did here?—A. I do not; but I saw them in the Second Assistant's room, and I saw them go into the Postmaster-General's room.

Q. Who were in that delegation?—A. Mr. Cannon was the only one that I knew. I never have seen him since, to speak to him. I only knew from Captain Leathers what he had come here for.

By Mr. LUTTRELL:

Q. You spoke of a case in which a route was given to Peterson at nearly \$2,000 more than his bid previously made; was not that very generally the case in most of those straw-bid contracts? Did not the Department, in many instances, make contracts with one Sawyer and others for a great deal more than the bids they had on file at that time?—A. From my personal knowledge, I am not capable of answering that question. I think, as a general thing, the persons with whom contracts were made did not have bids in. I remember one or two instances where F. P. Sawyer, jr., bids on a route and his father gets a larger amount, but I don't remember any instance where Sawyer bid himself and was awarded a contract at a higher amount.

Adjourned.

WASHINGTON, *February 10, 1871.*

T. L. HOLBROOK recalled and further examined.

By Mr. CANNON:

Question. Locate the time, as nearly as possible, when you made the verbal communication to Dr. McDonald concerning Peterson's influence with General Smith, of which you have spoken.—A. I had a number of communications with Dr. McDonald upon the subject.

Q. State when was the first time that you told him of what you had found out when you were at the South, about Peterson and his influence with Smith.—A. I should say in the fall of '71, or early in the winter of 1872.

Q. Five or six months after you returned?—A. Yes, sir.

Q. Dr. McDonald was your immediate superior officer?—A. He was not in the country at that time.

Q. Was he in the country when you returned from the South?—A. He made the arrangements for me to go into the bureau to take the position of David Haines on the

1st of July, 1871, either in the last of April or the 1st of May. I saw him for a day or so only. He then ordered me to Jacksonville, Florida, to work up a matter there.

Q. But was he in the Department, or did you see him after you returned from Louisiana where you had discovered these matters that you speak of having told General Smith about?—A. I saw him for a short time only. He was then under orders to go to Europe.

Q. Was he on duty in the Department at that time?—A. Yes, sir; but he was making his preparations to leave for Europe; he returned in the fall of 1871, I think.

Q. You had a conversation with Floyd, a clerk; how long was that after you returned from Florida?—A. Immediately.

Q. What desk did he occupy at that time?—A. He was contract-clerk for Louisiana, Texas and Arkansas; afterward curtailed to Louisiana and Texas.

Q. Where is Mr. Floyd now?—A. He is in Maine, I think. Since the development of his corruption, he has not been in Washington. He was discharged, I think, the day after the Connecticut election last spring.

Q. You speak of a man named Sickles that you communicated this matter to?—A. As I stated before, I had several conversations with Mr. Sickles; but I did not know him personally at that time.

Q. How long after your return was it that you communicated this to him?—A. I cannot say; I had a number of interviews with him.

Q. How long after your return was the first one?—A. I cannot say; there is nothing to fix it in my mind. He had the inspection-desk for Mr. Floyd's section. Mr. Sickles is still a clerk in the Department, contract-clerk for Arkansas and Missouri now.

Q. Was he under Floyd's direction?—A. Mr. Sickles was under Mr. Floyd's direction—not so considered, but the inspection-clerk receives his instructions from the contract-clerk.

Q. You don't know whether you communicated this a day or two after your return, or whether it was six months or a year after?—A. I don't think I knew Mr. Sickles at all at that time. I can't say when it was. My impression is that as soon as I formed Mr. Sickles's acquaintance, I talked with him very freely about the condition of things.

Q. Was it probably then six months, or three months, or a year? You say you did not know him when you returned?—A. I don't know that I knew Mr. Sickles at the time to talk to him. My impression is that it was some time afterward that I talked to him first.

Q. You say that you talked to somebody else; to whom else did you detail this special information?—A. I think you refer, sir, to A. H. Brown. I talked with him immediately when I returned from the South. He was a particular friend of General Smith, from Bloomington, Ill.; he was contract-clerk for the Territories and the Pacific States.

Q. Where is Mr. Brown now?—A. I think he is in the city. He is not in the Department. He resigned last fall.

Q. Did he resign or was he removed?—A. He resigned. I never heard anything against his character; I know no reason for his removal, but I know that he resigned.

Q. This route from New Orleans to Saint Francisville that I asked you about yesterday, do you know the price that Peterson was paid under his contract in 1871?—A. Only from the records.

Q. Do you recollect it independent of the records?—A. I do not.

Q. Do you know how often the service was to be performed on that route?—A. Only from the record. My impression is that it was three times a week, at \$16,000 a year, but that is information derived from the record.

Q. Do you know what is being paid for the service now?—A. I do not, sir.

Q. Do you know how many offices there were along the river between Saint Francisville and New Orleans, that were supplied by this line at that time?—A. Most of the offices between Saint Francisville and New Orleans were supplied by the Memphis and Vicksburgh packet-boats running over the same line as far as Saint Francisville. My impression is that there were six or eight offices on the line to Saint Francisville that were not supplied by the Vicksburgh boats. I speak from my best recollection. I do not recollect the names of the offices. The advertisements will give them.

Q. You say you do not know what is being paid for that same service now?—A. I do not know.

Q. Can you state from your own knowledge whether \$16,000 is an exorbitant price or not?—A. I cannot.

Q. Then you do not know whether the consequences of that fraud, if it was one, were disastrous to the Government or not?—A. No, sir; I do not, except by inference.

Q. You don't know what that service is worth, do you?—A. I do not. I am not a steamboat-man.

Q. The route from New Orleans to Vicksburgh; Peterson had that route also, I believe?—A. I so understand.

Q. Do you know how often that service was performed?—A. When I was over the route, it was performed twice a week only; under the new contract, it is three times

a week. Thirty-seven thousand five hundred dollars was the price he got in 1871. That I get from the record.

Q. Do you know what is being paid for that service now?—A. \$35,000, I understand.

Q. Do you know whether there are more offices to be supplied now than there were in 1871?—A. I do not.

Q. Can you say that \$37,500 was more than that service was worth?—A. I cannot undertake to say, sir, what any mail-service is worth.

Q. I am asking you about this particular route now.—A. No, sir.

Q. Or do you know whether the price now paid, \$37,000, is exorbitant?—A. I cannot say.

Q. Then you don't know whether on that contract the Government in fact paid, or is now paying, more than the service is worth?—A. No, sir.

Q. On all these routes, except the route from New Orleans to Shreveport, can you say that the prices paid under the Peterson contracts were exorbitant?—A. Do you mean from my own personal knowledge?

Q. Certainly; or from any knowledge you may have about it as to what the service is let at now, taking into consideration the number of offices and the quality of the service. I will ask you first as to your personal knowledge.—A. I have no personal knowledge.

Q. You don't recollect what was paid on those different routes, or the number of offices on those different routes?—A. I have stated, as far as I know, the amount paid. I do not know the number of offices.

Q. Do you know what is being paid now?—A. I do not.

Q. You do not know whether more or less is being paid now?—A. No, sir; I have not had access to the records, or to any data by which to establish those facts.

Q. Do you know a Mr. Cheek, of Memphis?—A. I never saw him, to my knowledge.

Q. Do you know anything of the Memphis and Vicksburgh Packet Company, of which Mr. Cheek is agent?—A. From all the information that I have there is no such company.

Q. You have heard of such a company, have you not?—A. I have heard there was such a company.

Q. Is that the company that Mr. Cheek is, or purports to be, the agent of?—A. I will modify my answer by saying that I do not know that there is no such company; but my impression is that there are no boats known as the Memphis and Vicksburgh Packet Company's boats running on the Mississippi River.

Q. Somebody has told you that?—A. I received an official communication from the postmaster at Skipwith's Landing, Mississippi, who was a banker there, stating that fact. His letter was forwarded to the Department in the form of a certificate, with the special agent's report.

Q. Do you know whether Mr. Cheek is, or was, in 1871, agent for a line of packets of which he was part owner?—A. I know that there is a person named Cheek, who is known as the agent for a packet company at Memphis.

Q. A packet company that has or has not an existence?—A. I do not know anything about the company. I do not know that. I modified my answer in regard to that by saying that my information was as to the *boats* of the packet company.

Q. Do you know whether Peterson was a copartner in or agent for this packet company?—A. I have understood that he received a percentage of the pay.

Q. I am asking you now for what you know. I am trying to separate what you understand or suppose from what you know.—A. Well, in some of the questions you ask for my positive knowledge and in others for what I have heard.

Q. Well, answer them in the one case as to your knowledge and in the other as to what you have heard.—A. Well, if knowledge derived from a third party is knowledge, I know that Peterson receives a percentage of the money that Cheek receives for that service.

Q. That is what somebody told you?—A. Yes, sir; somebody told me so.

Q. Do you *know* it?—A. This time you ask for my personal knowledge?

Q. Yes.—A. No, sir; I do not know it. I know that Mr. Peterson discounts the pay-accounts of Cheek, if that is knowledge.

Q. Don't you know that that contract in 1871, from Memphis to the mouth of White River, was let to Cheek and Peterson?—A. I do. The records so show. It was let to Peterson in '71, and subsequently to Cheek and Peterson.

Q. Do you know their agreement; have you ever seen their articles of copartnership?—A. I have not.

Q. I understand you to say that the mail from New Orleans to Shreveport in 1871 and 1872 was carried by the packets doing tri-weekly service from New Orleans to Vicksburgh?—A. No, sir; I did not so state.

Q. You speak of the Red River Packet Company; where did that packet company ply?—A. Between New Orleans and Shreveport. Mr. Counz was the president. In the spring of 1871, when I was there, they carried the mails by river.

Q. That matter, you said, I believe, was investigated in the McKibbin investigation?—A. I so understand it.

Q. You speak of assisting Mr. Woodward, the special agent, in detecting frauds in the Post-Office Department.—A. In working up frauds in the Department.

Q. I understood from your evidence that you suggested to him to change the clerks from one desk to another?—A. No, sir. That was the assistance that I gave to Colonel Knowlton, on the 2d or 3d of February, '75, I think.

Q. You are the author of that proposition?—A. I don't know that. I suggested it to Colonel Knowlton, and he told me that the Postmaster-General had acted upon it.

Q. And you referred him, in the first instance, to a copy of the New York Sun, containing an article a year or two ago, and to the records of the Department?—A. No, sir; that was to Mr. Woodward.

Q. I am asking about him.—A. Colonel Knowlton, the chief clerk of the Department, (Mr. Jewell's former secretary in Connecticut,) and Mr. Woodward, also, I worked with, and I think you are confounding the two.

Q. Well, I don't care which of them—go on and state.—A. As I stated on my direct examination, Mr. Woodward came to Georgetown and sought my assistance in developing frauds, and I gave him a copy of the New York Sun, not an old copy. It was a copy published that fall some time, containing, or purporting to contain, a statement of these two routes from Memphis to Vicksburgh, and referred him to the records to substantiate the statements therein contained.

Q. Have you those records now?—A. The records of the Department?

Q. Yes.—A. I have not, sir.

Q. Or transcripts of them?—A. I have not.

Q. You were asked for your resignation in February last, I believe?—A. On the 3d of February, I think it was.

Q. You were very much surprised at it, were you not?—A. I was.

Q. And yet you did not ask the Postmaster-General the reason?—A. I did not.

Q. I understood you to say that you had received assurances prior to that time, from Mr. Woodward or Mr. Knowlton, or both, that you should retain your place in the Department?—A. I did not.

Q. Well, you had received an intimation of that kind?—A. I had reason to suppose that, after accepting my assistance, with the knowledge of what I have testified that I told Mr. Woodward, and the fact that the Postmaster-General in January asked me to give Mr. Woodward assistance, and directed Mr. Woodward and Colonel Knowlton to investigate subjects which I had laid before him in writing, I was in accord with the Postmaster-General and the officers of the Department.

Q. Why did you not ask the Postmaster-General for the reasons for your discharge?—A. Because under his instructions I had been working with his chief clerk and confidential man, and I went to him for the information.

Q. But why? The confidential man did not ask you for your resignation, did he?—A. No, sir; he did not.

Q. Is the only reason, then, the reason you have assigned, why you did not ask the Postmaster-General his reason for asking your resignation?—A. That is the only reason; that the Postmaster-General, after having accepted my assistance, and directed me to work with Colonel Knowlton, asked for my resignation in that way, and I tendered it.

Q. You had no curiosity to know about it from the Postmaster-General?—A. If I had I should have satisfied it. No, sir; I had not.

Q. You did not know whether it was on account of some lie or misrepresentation that had been made in regard to you by somebody, or what was the reason?—A. I did, within three hours.

Q. I am speaking of the time of the discharge.—A. I did not. I went directly from the Postmaster-General to Colonel Knowlton.

Q. And then you told Knowlton that you thought he owed it to you to find out what the reason was?—A. I did.

Q. Then you did have some curiosity to find out the reason at that time?—A. I had curiosity to find it out all the time.

Q. You wanted to employ a day's man?—A. I do not know what you mean as a "day's man."

Q. Some man to go between you and the Postmaster-General.—A. I wanted to ascertain the real reason from a man in the confidence of the Postmaster-General, who could obtain from him reasons that he would not accord to a clerk. I thought that the best way to obtain it.

By Mr. WADDELL:

Q. If I understand you correctly, you mean that if you had asked the Postmaster-General directly for the reason he would not have given a candid answer?—A. Governor Jewell was not in the habit, as any gentleman who know him knows, of being catechised by his clerks.

By Mr. CANNON:

Q. Not even when he called a man into his room and asked for his resignation, he

would not answer a question why he wanted the resignation?—A. I have known of instances, sir, where he gave no reasons.

Q. When the reason was asked for?—A. Yes, sir.

Q. Were you present?—A. No, sir; I know of them by hearsay.

Q. Then you do not know of them of your own knowledge?—A. I do not.

Q. Mr. Knowlton stated, I think you testified, that he could not tell you the reason.—A. He said that he could not tell me the real reason.

Q. Do you know the real reason?—A. I think I do.

Q. I am not asking you whether you think you do; do you know the real reason why your resignation was asked for?—A. I believe I do.

Q. Have you any additional reason to state, further than the one you did state a day or two ago in your examination here?—A. The reason which Colonel Knowlton gave me led me to infer that a power higher than the Postmaster-General had influenced his action.

Q. Mr. Knowlton told you that?—A. No, sir; he gave me to infer that the Postmaster-General could not help asking for my resignation.

Q. You have stated that Mr. Knowlton gave you to infer; be kind enough to give us the words he used or the substance of them.—A. I have already stated the conversation that took place between him and myself.

Q. Please state again what he said—not what he gave you to understand.—A. That he was more embarrassed than he ever was in his life; that he knew the real reason why the Postmaster-General had asked for my resignation, but could not tell it to me.

Q. Was that substantially all he said?—A. Yes, as to the real reason.

Q. You stated something about having a conversation with Kittle about the reason.—A. No, sir; I repeated to the committee what Mr. Kittle told me.

Q. When did you have this conversation with Kittle?—A. Kittle told me of this some time in March. He repeated it in the room of the chairman of the committee of which I am clerk, in the presence of some members of this committee, the other evening.

Q. He is here in the city now?—A. I believe he is.

Q. He is a Texas contractor, is he not?—A. Yes, sir.

Q. The man who turned States evidence and tried to convict his confederates, is he not?—A. He is the man who was accepted by the Postmaster-General as a witness.

Q. Well, he turned States evidence, didn't he?—A. Well, he objects to having it so termed.

Q. I am not asking now what he objects to. He admitted his own guilt, and testified that somebody else was guilty with him, did he not?—A. He did.

Q. Was it before or after he gave that testimony that he told you this?—A. Before.

Q. And he told you that Peterson had stated to him that he had to get you out of the way for his own protection?—A. No, sir. He stated that he was in the room of A. L. Boone, chief of the pay-division of the Sixth Auditor's Office, and that Peterson made a statement to Mr. Boone, similar to that which you have just repeated.

Q. Where is Boone now?—A. He is in the board of health.

Q. When did he get out of the Auditor's Office?—A. He left in the spring, I think, of 1875.

Q. Then he was in the Auditor's Office at that time?—A. Yes; he was at the head of the pay-division.

Q. Was his resignation asked for, or was he removed, or did he resign?—A. I do not know. He was an officer of the Treasury Department.

Q. You have no knowledge upon that point?—A. No personal knowledge.

Q. Did you know anything about Peterson that you had not told up to the time when you were asked for your resignation?—A. I do not think I do.

Q. How could you hurt Peterson by being in the Department if you had already told all you knew about him?—A. Mr. Peterson could answer that question better than I can, I suppose.

Q. I am asking, if you had told to Mr. Woodward, the chief clerk, and to the Postmaster-General, all that you know about Peterson, how you could have hurt Peterson any more by being in the Department than you could out of it?—A. By being more familiar with the details of the working of the Department than either the chief clerk in the Department or Mr. Woodward. Without being egotistical, I may have thought my experience would aid them very much in developing frauds.

Q. You knew more about it than either of them?—A. I think I did, sir.

Q. Did you know more about it than anybody else in the Department did?—A. I do not know that I did. I do not think I did. I certainly did not know more about the business of the contract-office than a great many men there.

Q. You had been examining those records, and had been upon Peterson's track at that time for three or four years, had you not?—A. I had.

Q. But you say that there were still other matters that you could have unearthed?—A. I say that as to the routine of the management of the contract-office, I could have rendered Colonel Knowlton and Mr. Woodward great assistance.

Q. Mr. Tyner was then Second Assistant Postmaster-General?—A. Not at that time.

Q. Then a few days afterward he was?—A. Within thirty days.

Q. Had he been appointed at that time or designated for appointment?—A. I think he had.

Q. That was before Colonel Routt's resignation?—A. Before his resignation.

Q. When did he come in as Second Assistant Postmaster-General?—A. On the 16th October, 1871.

Q. This knowledge about Peterson, of which you have never made any written report, did you go and tell Colonel Routt about that?—A. I did not. I do not think he needed any information in relation to Mr. Peterson.

Q. I am not asking that.—A. I was simply making an explanation of why I did not go and tell him.

Q. I do not want your thoughts, I want your reasons.—A. Well, that is the reason, that I thought he knew as much as I did.

Q. How do you know that? Had he ever told you so?—A. No, sir; but I saw Peterson with him continually.

Q. What of that? You have been with Peterson sometimes, have you not?—A. Very rarely. I had only known the man to speak to.

Q. You have met him, have you not?—A. I have seen him in Washington and once in New Orleans.

Q. Whereabouts in Washington?—A. In the Department and in Willard's Hotel.

Q. Nowhere else?—A. No, sir; I have never been with him and have no business with him.

Q. Have you ever been in his room?—A. I never have.

Q. Did you ever have any talk with him?—A. Nothing but just casual conversation.

Q. Just a casual "good morning" or "good evening"?—A. That is all.

Q. What do you know about Mr. Routt and Peterson being together? Did you hear their conversations?—A. I did not.

Q. Did you see any communications between them in writing?—A. I did not.

Q. Were you ever in the contract-division as a clerk?—A. I never was except when I was detailed to George Armstrong's office; I was appointed to the office and detailed to Mr. Armstrong, the superintendent of railway mail-service.

Q. But you had nothing to do with the contract-division proper at that time, had you?—A. No, sir; you ask me what I know of Colonel Routt's knowledge of Mr. Peterson. Colonel Routt was Second Assistant Postmaster-General when these contracts were made with Mr. Peterson in the winter of 1872.

Q. What of that?—A. I am simply stating my means of knowing that he knew Mr. Peterson and knew about his contracts. I know nothing detrimental to Colonel Routt.

Q. You know nothing detrimental to him?—A. I do not, sir. I think he is an honorable gentleman.

Q. You did not think Peterson was an honorable gentleman, did you?—A. I did not.

Q. You had a regard for Colonel Routt?—A. I had.

Q. You knew what you allege about Peterson's shortcomings before that?—A. I did.

Q. You were an officer in the Department?—A. I was.

Q. Then why did not you go and tell Colonel Routt about this fellow?—A. Because, as I said before, I thought he knew all about him.

By the CHAIRMAN:

Q. Had not the written report which you had made and other written reports in regard to these things been put on file in the Department?—A. My report had been, in the instance to which I have referred only. I made but one report in connection with Mr. Peterson.

By Mr. CANNON:

Q. I understood you to say yesterday, in reply to me, as well as in reply to the chairman, that you never made any written report about these matters that you told Mr. Smith about.—A. I so say now, sir. I say that I made but one written report.

Q. I do not exactly understand you, then.—A. I will try to make myself understood.

Q. I understand you to say that Colonel Routt is an honorable gentleman and straight officer, but that you saw these men who have been all wrong with him repeatedly.

Mr. WADDELL here remarked that he had not understood the witness to say that Colonel Routt was an honorable gentleman, but simply that he knew nothing against him.

By Mr. CANNON, (to the witness:)

Q. What do you say about Colonel Routt?—A. I say that I have no knowledge but that he is an honorable gentleman. I have no charges to make against Colonel Routt.

Q. And yet you saw him in daily contact with this man Peterson, letting contracts to him, and you were an officer of the Department, and you did not feel it to be

your duty to tell him about Peterson, what a bad man he was?—A. I think Colonel Rontt, as well as a good many other officers in the Department, had a full understanding as to the influences which stood behind Mr. Peterson. I have not any doubt about it.

Q. What is the influence that stood behind Peterson? Let us have the whole of it.—A. The influence, sir, that is understood to stand behind him is that of Senator West, of Louisiana, and the Hon. W. W. Belknap, Secretary of War.

Q. Let us know all about Senator West standing behind him. What do you know about his standing behind him?—A. By his interceding to have Peterson's fines removed and to have his accounts settled, as I stated in my direct examination.

Q. What letter have you of Mr. West's?—A. I have none, sir.

Q. When did you hear him intercede for Peterson?—A. I have never heard him. I do not know Senator West to speak to him.

Q. What do you know about his interceding for Peterson, then?—A. You have asked me for the influences which were understood to be behind Peterson and I have given them to you.

Q. I am asking you for your knowledge, not your suspicions. I ask you now what you know about Senator West's influence backing up Peterson?—A. I know from several sources that Senator West has backed Mr. Peterson's interests.

Q. Were his recommendations placed on file in the Department?—A. I do not know, sir; I have never examined. I think you will find them.

Q. In connection with these matters?—A. I think you will, sir.

Q. Is it an unusual thing for a member of Congress or a Senator, where he has a constituent, and there is a hitch in his pay, to ask the Department to make it special, and adjust it if it is authorized so to do upon the certificates or by proof on file?—A. I do not think it is a very unusual thing.

Q. Is it not the common practice?—A. The men known as the "ring" contractors all have such men to back them.

Q. Is it not the common practice by men who are not known as the ring?—A. No, sir; it is not. They rely upon the Department to settle their accounts.

Q. And the Department is never asked to make a case special unless by some of the "ring"?—A. I did not say that. You asked me if that was not the common practice.

Q. Have you been in that bureau long enough to know what the common practice is?—A. I have been there long enough to know all about it.

Q. Have you examined all the papers in relation to accounts there?—A. I have not, sir.

Q. How many routes are there altogether, land and steamboat routes?—A. That is a hard question to answer. I should think thirty or forty thousand.

Q. In how many cases have you examined the records of the Department to find out whether members of Congress had asked, where there was a hitch in the settlement or pay, to have the case made special and settled?—A. Perhaps fifteen or twenty of the routes manipulated by the straw-bidders.

Q. How many were manipulated by straw-bidders? Have you examined the records of all that were manipulated by them?—A. No, sir; I say fifteen or twenty, probably.

Q. How many have been manipulated by straw-bidders?—A. Do you mean in the last letting?

Q. I mean in all the lettings.—A. The letting which Mr. Jewell succeeded to, as the last act of Mr. Creswell, contained about fifty routes manipulated by straw-bidders.

Q. About fifty?—A. I think there were only about fifty, in the lettings in the Territories.

Q. Do you testify that there were only about fifty routes upon which straw-bids were put in?—A. I have testified that I think so.

Q. Have you examined to see?—A. I have examined part of them.

Q. How many out of the whole forty or fifty thousand?—A. There are not forty thousand in that section.

Q. I understood you to make a sweeping assertion, and I wish to see now how much examination you have made to find out the facts.—A. What is it that you call a sweeping assertion?

Q. I understand you to say that there are only about fifty routes in which straw-bids were put in at the last letting, and I want to know how many you examined.—A. I stated that the last letting of Mr. Creswell's administration, in the Territories and the States on the Pacific coast, to which Mr. Jewell succeeded—the contracts having gone into operation on the 1st of July, 1874—contained about fifty routes which have been known as ring-routes.

Q. And all the rest of the routes were not "ring" routes; do you say that?—A. No, sir. I state that nearly all the straw-bidding, by which the Government has lost any considerable amount of money, has been done in connection with not to exceed one hundred and fifty or two hundred routes, year after year.

Q. I want to find out, now, how many of those routes you have examined the records of.—A. I cannot answer that question definitely.

Q. Then, if you cannot answer that question definitely, you do not know how often members of Congress or others may have interposed and asked to have accounts made special and adjusted promptly?—A. No, sir; I do not. I know it is not the *common practice*, though, for contractors to get their accounts settled in that way.

Q. You have stated that Senator West is understood to stand back of Peterson?—A. I have, sir.

Q. Go ahead and tell what he has done.—A. I will answer your questions.

Q. I want you to go on and tell what he has done.—A. I stated in my direct examination what Senator West had done.

Q. State it again. I want you to confine yourself to what you know from an examination of the records, or what you know of your own knowledge.—A. I will have to refer you to my direct examination.

Q. I don't care about referring to that. I haven't it before me—

Mr. McMAHON asked Mr. CANNON whether he claimed the right to have the witness repeat what he had already testified to once or twice; and objected to the question.

Mr. CANNON said he wanted to find out what the witness knew about Senator West's action of his own personal knowledge or from the records. He wanted to separate the witness's suspicions (if he had any) from his knowledge.

The CHAIRMAN ruled that, this being in the nature of a cross-examination, Mr. CANNON might call the attention of the witness to any part of his previous testimony and ask him to repeat it, for the purpose of testing his accuracy.

Mr. CANNON disclaimed the part of a cross-examiner. He was a seeker after the facts, as a member of the committee.

Mr. SLEMONS understood the decision of the chair to be that Mr. CANNON, if he chose, might require the witness to repeat all his testimony already given; and appealed from it. The decision was sustained.

The CHAIRMAN declared his decision to be that the witness might be required to repeat what he had said in his examination-in-chief in regard to Senator West.

Mr. CANNON said that was not the question he had asked.

At the request of the witness, and by direction of the committee, the stenographer read the portion of the testimony introducing the names of Senator West and Secretary Belknap, as follows:

“By Mr. CANNON:

“Q. What do you say about Colonel Routt?—A. I say that I have no knowledge but that he is an honorable gentleman. I have no charges to make against Colonel Routt.

“Q. And yet you saw him in daily contact with this man Peterson, letting contracts to him, and you were an officer of the Department, and yet you did not feel it to be your duty to tell him about Peterson—what a bad man he was?—A. I think Colonel Routt, as well as a good many other officers in the Department, had a full understanding as to the influences which stood behind Mr. Peterson. I have not any doubt about it.

“Q. What is the influence that stood behind Peterson? Let us have the whole of it.—A. The influence, sir, that is understood to stand behind him is that of Senator West, of Louisiana, and the Hon. W. W. Belknap, Secretary of War.”

The WITNESS. I desire to call the attention of the committee to the fact that the mention of the names of Senator West and Mr. Belknap was drawn out in that way.

Mr. CANNON objected to the witness volunteering a statement, and insisted that he should answer the last question.

The WITNESS said he wished to make an explanation; which the chair held he had a right to do; and Mr. CANNON said he did not object to an explanation.

The WITNESS. If the privilege is accorded me, I wish to say, that the peculiar character of the question put to me caused me to use the names of Senator West and the Secretary of War in this connection, and that all the information I have in relation to the connection between them, other than hearsay, is contained in my direct examination.

Mr. CANNON. I will now ask to have his direct examination on this point read for the benefit of the committee.

Pending this suggestion, the committee adjourned.

WASHINGTON, D. C., February 11, 1876.

T. L. HOLBROOK recalled and further examined.

By Mr. CANNON:

Question. Please read what you said in your direct examination about Senator West being behind Peterson in his contracts.—Answer. [Reading:] “Mr. Kittle came to me, and told me that a telegram had been received by Mr. Tyner from Senator West, of Lou-

isiana; that he had seen the telegram, and that it had been referred to Mr. Woodward. The telegram was asking what was the trouble with Dr. Peterson's mail-accounts. Senator West, within a few days, appeared in the Department, and was in and out for a number of days. That I state of my own personal knowledge. He was there and had frequent interviews with the Postmaster-General."

Q. Is that all you know in reference to Senator West backing Peterson?—A. That is all that I know of my own personal knowledge.

Q. Can you give us the name or names of witnesses, with their residences and present whereabouts, who you have reason to believe have personal knowledge of any fact or facts showing that Peterson was improperly backed by Senator West's influence?—A. I never made that statement, sir.

Q. I am not cross-examining you. I am asking you that as an independent question.—A. I will give you the name of Col. William Bell, formerly disbursing-clerk of the Post-Office Department, now a claim-agent, whose office is on Seventh street near the corner of E street, as one who has such information, in my opinion. Col. E. F. O'Brien, on the corner of Rhode Island avenue and Seventh street, also has such information, to the best of my knowledge and belief. He is the same man of that name who has already been mentioned in my testimony. Mr. J. F. Mollère, of Washington, D. C., whose full address I will furnish to the committee, is another.

Q. When did Colonel Bell go out of the Department?—A. He went out, I think, in 1869 or 1870.

Q. Was Mollère formerly in the Department?—A. No, sir; he never has been connected with it, to my knowledge. He was an intimate friend of Senator West, and was understood to be—

Q. Please state what you know in reference to any improper influence exercised by Mr. Belknap, Secretary of War, with the Post-Office Department, or any officer thereof, touching Peterson's contracts.—A. I can only repeat what I testified to yesterday in answer to your question. I know nothing except the impression that existed in the Department.

Q. Give the name or names, and present residences, if you can, of any witness or witnesses who you have good reason to believe have knowledge of facts showing an exercise of influence improperly by the Secretary of War in favor of Peterson, in connection with his contracts.—A. Marshal Jewell, present Postmaster-General, I give as one who I have good reason to believe has knowledge of such facts. John Andrew Jackson Creswell, former Postmaster-General, whose residence is well known, is another. John L. Routt, governor of Colorado, is another. I think of no others just now.

Q. In your evidence-in-chief, you stated in substance, as I recollect it, that after the service was annulled on the steamboat-route known as the Red River route, Peterson had a contract for the land-route known as the Red River route.—A. I did, sir; at \$41,200, I think; land route or routes. They connect with each other.

Q. Do you know the length of those routes?—A. Not definitely.

Q. Do you know the termini of them?—A. Red River Landing is the terminus of the southern route; Shreveport is the terminus of the northern route. There are intermediate terminal offices.

Q. How many offices are to be supplied by that route?—A. I cannot say. The records of the Department will show.

Q. Do you know whether that was special service, or was let at a regular letting where advertisement was had and bids were made?—A. A portion of the service was increased service, made after the regular letting.

Q. I want to know whether Peterson got the contract at a regular letting or whether it was special service?—A. I cannot say.

Q. Do you know the number of trips per week?—A. Either six or seven times a week, I understand the service to be.

Q. Have you knowledge so that you can state what a fair compensation for service on route would have been at that time?—A. About that time Mr. Peterson paid the Red River Packet Company, for similar supplies, \$7,800.

Q. I am speaking of the land-service.—A. I never was over the land-service.

Q. You don't know, then, what would be a fair compensation for the land-service?—A. I do not.

Q. Do you know whether there were additional offices supplied by the land-service beyond those supplied by the Red River service?—A. I believe there were.

Q. Then, can you state, from your own knowledge, that that was an exorbitant price for that service?—A. I have stated already that I have never been over the land-route.

Q. Can you state, of your own knowledge, whether that was an exorbitant price?—A. From collateral circumstances, I have formed the positive opinion that it is an exorbitant and unnecessary expenditure.

Q. You state, then, from your own knowledge, that that was an exorbitant expenditure?—A. I believe it to be so, in my opinion.

Q. Yet I understand you to say that you do not know what a fair price would be, never having been over the route.—A. My opinion is based, perhaps, on an authorized statement of Postmaster-General Jewell.

Q. That statement will show for itself. I am seeking now, not to get the Postmaster-General's statement, but your information.

The CHAIRMAN suggested that the witness had a right to state how he formed his opinion.

Mr. CANNON said he had not asked for the witness's opinion.

Mr. MCMAHON remarked that the question, whether a certain rate of compensation was exorbitant or not, must necessarily call for the opinion of the witness.

Mr. CANNON. I will ask the witness another question.

Q. Do you know how that mail was carried, by horses, or by stage, or how?—A. To the best of my knowledge and belief, it was carried a portion of the distance in stages and a portion of the distance on horseback.

Q. Have you any knowledge as to how it was carried?—A. I stated to you, as well as I am able to state, that I have never been over that route.

Q. And you say that that was too large a price?—A. In my opinion.

Q. Now, you never having been over the route, and not knowing how many offices are to be supplied there, nor the difficulties that are to be overcome in making those trips six or seven times a week, as the case may be, please state whether you know what that service would be worth.—A. From the fact that Peterson is now contractor on the route three times a week at \$15,000 a year, or thereabouts, and that the Postmaster-General has refused, certain influences having been brought to bear upon him, to increase that compensation, that the rate paid must have been exorbitant.

Q. Still, you don't know whether the service was six or seven times a week?—A. My impression is that it was six times a week, but I do not know certainly.

Q. How do you know but that \$15,000 a year is less than the service is worth; how do you know but that is a low price?—A. I know that Mr. Peterson has no property, no stages, and no horses, and if the services are worth more than that he could get no one to carry the mail.

Q. Who is carrying the mail now?—A. Somebody in his interest.

Q. Who owns the horses and the stages?—A. I don't know. He does not.

Q. How do you know that he does not?—A. Because there are executions out against him which cannot be satisfied.

Q. Did you ever see the executions?—A. I know that such exist.

Q. How do you know it?—A. The records of the board here will show one, I think, and Captain Leathers told me that he never knew of Peterson's owning so much as a wheelbarrow.

Q. That is what Captain Leathers knows. I am asking what you know.—A. I don't know anything about it.

The CHAIRMAN. You mean of your personal knowledge?

The WITNESS. Yes. I never was a witness before, and I am unable to understand a kind of questioning which confines me at one moment to my personal knowledge, and the next moment to my opinion, and the next moment to something else.

Mr. CANNON. When I ask for your opinion, please give it; when I ask for your personal knowledge, I want you to state that.

The WITNESS. I will try and answer your questions, sir, as near as possible.

By Mr. CANNON:

Q. What was the price that Peterson got for the service on the Red River before the contract was annulled, of which you spoke in your examination-in-chief?—A. When I was there he was receiving \$30,000 per annum.

Q. That was the contract that was afterward annulled?—A. No, sir; it was not.

Q. I am speaking, now, of the contract which was annulled and succeeded by this land-service.—A. That was twenty-nine thousand dollars and something, I believe.

Q. How often was the service?—A. Three times a week.

Q. I believe you stated that he sublet it.—A. I did.

Q. Who was the contractor?—A. G. L. Counz, president of the Red River Packet Company, was the subcontractor, when I was there, for \$7,800 a year; so he told me.

Q. Of course, you don't know whether he told you the truth or not, do you?—A. Postmaster-General Creswell's report for 1872, page 85, shows that the service was performed for \$7,800 a year, three times a week, after the McKibbin investigation, before it was finally annulled.

Q. Who performed that service?—A. I don't know, sir; the subcontractor, I suppose.

Q. Under this same Peterson contract?—A. Under an extension, I suppose, of that same contract.

Q. Did Peterson get that contract in 1869, on Red River, at a regular letting?—A. He did not.

Q. Had it been advertised?—A. It had not, to the best of my knowledge and belief.

Q. It was a new service, then?—A. So I understand.

Q. Was it advertised in 1871?—A. It was advertised on September 30 or October 1, 1870, service to commence July 1, 1871.

Q. Who got that contract?—A. Peterson got a temporary contract, at \$30,000 a year, for six months.

Q. When it was advertised, who got the contract?—A. Some straw-man got it at a nominal sum.

Q. Now, in reference to the Washington and Norfolk route that you spoke of, do you know how many offices were to be supplied, or were supplied, upon that route?—A. Depending upon that route for supply?

Q. Yes.—A. None.

Q. How many were supplied in fact?—A. I don't know.

Q. Do you know how many offices there were?—A. I do not.

Q. Please to recollect that I am asking for your personal knowledge.—A. Yes, sir. I say I do not know.

Q. How were the offices supplied; by what other routes?—A. Land-routes, as I understand it.

Q. What land-routes?—A. I don't know.

Q. How often were they supplied by land-routes?—A. I don't know.

Q. How frequently was the Washington and Norfolk line run?—A. Twice a week, to the best of my knowledge and belief.

Q. You say that after that contract was annulled, service was again put upon it?—A. Yes, sir; in August, 1875, I understand.

Q. In reference to this ocean-route, you speak of one from New York to Key West; do you know how many offices were supplied by that route?—A. Key West alone, I believe, sir; there are no offices between the two.

Q. Do you know what it was worth to perform that service?—A. I do not.

Q. How frequently was it performed?—A. Twice or three times a week, I believe.

Q. Then you can't state whether the price was an exorbitant one or not that was paid, not knowing what it was worth? I am not asking as to whether the service was necessary.—A. I cannot say.

Q. I will ask you the same question as to the route from New Orleans to Key West, your personal knowledge.—A. You are asking as to my personal knowledge, gathered from inspection of the route?

Q. Your personal knowledge, if you know what it is worth to run the steamers, and what they can afford to carry the mail for.—A. I know nothing of the cost of running steamers. The route was an entirely unnecessary one.

Q. I am not asking whether it was necessary or not; I am asking now, as the service was performed, or was supposed to be performed, whether you know that the price was exorbitant?—A. I think it was.

Q. What would have been a fair price?—A. I cannot say.

Q. How do you know that it was exorbitant?—A. Because an outsider got 10 per cent., as he stated.

Q. That is C. C. Huntley?—A. Yes, sir.

Q. How do you know that he is an outsider? How do you know but he owns an interest in the steamers?—A. Because I know the steamers belong to the son of Marshall O. Roberts, of New York.

Q. Was Mr. Huntley a partner in it, or what was the arrangement, if you know of your own knowledge, between him and the son of Mr. Marshall O. Roberts?—A. Of my own knowledge, I do not know.

Q. You speak of payments made to Peterson by collections from postmasters; please state whether it is not the practice of the Department on all its routes, railroad, steamboat, and otherwise, where collections are made by a contractor, to draw its warrant upon postmasters, or others that may be indebted to it, upon the statements of the postmasters as to the amount due upon their past quarter, and give it to the contractor for collection?—A. I do not understand your question.

[Question repeated.]

A. I don't think you have stated it exactly as you intended to state it. No warrants are drawn upon a postmaster for his balance and given to a contractor to collect on account. Collection-orders you refer to, I think.

Q. That may be the name of them.—A. They are an entirely different thing. I will explain in my answer, if you are willing.

Q. Certainly. I am perfectly willing. I want to understand all about it.—A. Near the close of each quarter blank collection-orders, printed in duplicate, are sent out to the mail-contractor, one for each office on his route, known as a collection-office. The contractor takes that order to the postmaster and collects from him (giving his receipt therefor) the balance due the Government for the quarter about to expire, when the orders are issued to the contractor, and which has expired when he presents the order for payment. That is the custom on every route on which there are collection-orders, so far as I know. There may be an exceptional railroad-route or two; I think there are in New York State, but that is the custom of the Department. Those collections are made by the contractor on account of his contract-pay.

Q. It is really a matter of convenience to the Department, is it not, to have the contractor make the collection?—A. Yes, sir; a great convenience.

Q. Is it not the practice on these routes for the contractor, as he can, sometimes taking one week, two weeks, or three weeks, and, perhaps, running into months on the more distant routes, to get his pay at the end of the quarter at which he gets the order, independent of the order, and then to make a report of the amount collected, and then have that deducted from the next quarter's pay?—A. It is not, sir.

Q. That is not the custom of the Department?—A. No, sir; as an evidence of that fact, the investigation before the committee of which you were a member at the last Congress, caused an order to be issued forbidding that class of payments. Payments of that class had been made in certain cases to a great extent in favor of certain men who have been beneficiaries of the straw-bid system. The investigation started by Mr. Stone before your committee caused that to be stopped.

Q. Don't you recollect that the committee unanimously reported, republicans and democrats concurring in the report, that the proceedings in the Department in that respect had been perfectly regular, and not only regular but commendable?—A. I am aware that the committee made such a report, notwithstanding which fact the Postmaster-General stopped the custom which was so commendable.

Q. I intended to ask you as to the custom. I was not aware of any order he might have issued about it, and I intended to ask you about the custom prior to and at the time that you speak of Peterson making these collections.—A. I think that the contractors paid in that way were not to exceed fifty in number at that time; otherwise the moneys derived from the class of post-offices known as collection-offices, instead of being available to pay the indebtedness of the Department in that quarter for which they accrued, would be in the hands of contractors and virtually loaned to them.

Q. Still, the money cannot be collected until the end of the quarter, can it?—A. The regulations of the Department, perhaps—

Q. If you don't know, you need not state.—A. I do know exactly all about the regulations.

Q. Well, of course, the amount due at the end of a quarter cannot be collected from responsible men until the end of the quarter?—A. No, sir; and the contractor, under his contract, is to be paid in the second month succeeding the close of the quarter; that the necessary time to make those collections may be had so that he can report them and have them in time to get the balance of his pay. The regulations of the Department provide for it, and the contracts provide for it.

Q. Who makes the regulations of the Department?—A. The Postmaster-General.

Q. Well, the regulations of the Department are not always rigidly adhered to; from necessity they are not, are they?—A. They are considered binding as law—the printed regulations.

Q. The same power that makes them can unmake them, can't it; and is it not, as a matter of fact, constantly the case that exceptions are made by a special order of the Postmaster-General?—A. O, yes, sir.

Q. You could not run the Department without that license, could you?—A. Some exceptions, of course, to the regulations of the Department have to be made.

Q. Was not that the very object of giving the Postmaster-General the power to make regulations, to enable him to control his Department?—A. I suppose so, undoubtedly.

Q. Have you examined the proofs of all kinds upon record in the Post-Office Department touching the fines and deductions made upon the Kittle contracts?—A. I have not, sir.

Q. Then you cannot say, from your own knowledge, whether such fines and deductions were properly made?—A. I cannot.

Q. Is not the same thing true as to the fines and deductions upon the Peterson contracts?—A. It is.

By Mr. SLEMONS:

Q. You state that one route by steamer is from New York to New Orleans.—A. The route from New York is to Key West. The route from Baltimore is to Key West and New Orleans.

Q. Do you know, of your own knowledge, whether there is a line of boats plying between New York and Key West regularly engaged in the carrying-trade?—A. There is.

Q. Is Key West a general stopping-point for all boats traveling in that direction?—A. It is, sir; from the fact that it is headquarters for the Navy—naval station.

Q. A coaling and watering place?—A. Yes, sir.

By Mr. McMAHON:

Q. Were these men who were connected with the straw-bidders—the men behind the straw-bidders—generally known in the Department even to the clerks?—A. I think there were very few clerks in the Department who did not know the men known as ring-contractors.

Q. By that you mean those men who had put in straw-bids?—A. No, sir; I cannot say that. I mean those who were the beneficiaries of this straw-bid business.

Q. Well, that is what I mean; they were behind the straw-bids.—A. I cannot prove that they put in the bids. I know they were the persons who were benefited by them.

Q. Was there any name by which these parties went among the Treasury clerks?—A. The boys called them "The forty thieves," sir; I have heard it forty times, or a hundred times, when they came there in the Department about the first of each quarter, the boys would say, "Here come the forty thieves!"

Q. I see in these lettings a firm by the name of Peterson & Searles; do you know anything about what Peterson that was?—A. That is B. H. Peterson, sir.

Q. What were Searles's initials?—A. I don't know, sir.

Q. How do you know that that was B. H. Peterson instead of Bodine C. Peterson?—A. It is understood that Bodine C. and B. H. are the same. B. H. settles all the accounts of B. C. I don't know which name may appear in the firm of Peterson & Searles.

Q. Are there two Petersons, B. H. and Bodine C.?—A. According to the records there are; I never saw Bodine C. Peterson.

Q. You have used the name of Secretary Belknap in connection with these matters upon your cross-examination; state what association formerly existed, socially or otherwise, between Mr. Belknap, Mr. Smith, and Mr. Peterson.—A. I used the name of the Secretary of War in answer to a question as to what influence was understood to be behind Mr. Peterson. My reply to that question was that the influence understood to be behind him was that of the Secretary of War and of Senator West. That was the understanding in the Department, as I have stated to Mr. Cannon. I have no personal knowledge of his backing him. The records of the War Department, I believe, will show that Mr. Peterson was surgeon for the corps to which Secretary Belknap was attached, and which was commanded by Giles A. Smith.

Q. You have stated that Morgan L. Smith was a brother of Giles A. Smith?—A. He was.

Q. Had he any recognized position in or about the Department?—A. He was known as the attorney for contractors. He had no business that I know of.

Q. What formal business connection existed between Morgan L. Smith and John McDonald, of Saint Louis?—A. They were partners as steamboat runners for a number of years. "Smith & McDonald" are well known to everybody; any man from Saint Louis can tell you about that better than I can.

Q. You are alluding now to McDonald who was recently tried?—A. Yes, sir; and who is now in the penitentiary.

By Mr. AINSWORTH:

Q. From what data do you conclude that the service from New Orleans to Key West was entirely unnecessary?—A. From the action of Postmaster-General Jewell in annulling the contract, and from statements of the former Second Assistant Postmaster-General as to the fact that the services are unnecessary.

By Mr. STOWELL:

Q. I understood you to say in your testimony that you informed Messrs. Holman, Stone, and Luttrell of these irregular contracts of Peterson's?—A. I said that I gave them information in relation to irregular contracts and transactions in the Department.

Q. Information about B. H. Peterson's contracts?—A. I never gave Mr. Holman any information in relation to Peterson's contracts. I stated that I gave him information in relation to railroad matters.

Q. Did you give those gentlemen information before the investigations were ordered?—A. I did, sir.

Q. Did you give them that information before you informed the Postmaster-General or Mr. Woodward of those irregularities?—A. Mr. Woodward was not then in the Department. The investigation was in the last Congress.

Q. In other words, you informed Mr. Stone and Mr. Luttrell of these facts before you informed any one else?—A. No, sir; as I have stated in my evidence, the matter was talked of in the Department between myself and a number of gentlemen, and if there was anything in the charges of Mr. Luttrell and Mr. Stone, certainly the Postmaster-General, Creswell, would be the last person I should go to with those charges.

Q. Do I understand you that you informed the gentlemen who were your superior officers in the Department of these facts and irregularities before you informed Mr. Stone and Mr. Luttrell?—A. I have talked with Dr. McDonald, my direct superior for years.

Q. But you did not bring the attention of any one else but Dr. McDonald to them in the Department?—A. Yes, sir; as I have stated in my evidence, which you perhaps did not hear, I reported to General Smith in relation to this matter immediately upon my return from the Southwest in 1871; I reported to Mr. Floyd; I have frequently talked with Mr. Sickles (who is now in the Department) in relation to them, and I have talked with Mr. A. H. Brown, a clerk in the contract-office.

Q. And then, when no action was taken, you conveyed this information to Mr. Stone and Mr. Luttrell afterward?—A. A majority of the committee of the House had disagreed with the minority, and rendered an opinion sustaining the action of the Department, before I gave this information. The character of the information was such that I was entirely satisfied that it was useless to seek redress elsewhere, and I think I can satisfy you of that if you will permit me to read a paper.

Witness here read the following affidavit:

DISTRICT OF COLUMBIA,
City of Washington, ss:

On this the 16th day of May, 1874, personally appeared before me Theodore L. Holbrook, who, being by me duly sworn, deposes and says: That he is a fourth-class clerk in the money-order bureau of the Post-Office Department, receiving a salary of \$1,800 per annum, and that on the 5th day of February, 1874, J. B. Underwood, a special agent of the Post-Office Department, whose headquarters are at Eugene City, Oreg., made the following statement to him in room 57 of the Post-Office Department, in the presence of J. H. Whitaker, a third-class clerk in the money-order bureau of the Post-Office Department, viz: That he (Underwood) had inspected the mail-service on route No. 15414, from Missoula, Mont., to Walla-Walla, Wash., and had reported to the Post-Office Department that the service was unnecessary, and that in consequence of such report the service was reduced, but was afterward restored; that his (Underwood's) pay was reduced, and that he came near being removed, since which time he had minded his own business. He also stated that Charles Moore, late postmaster at Walla-Walla, Wash., was one of the best postmasters in the Territory; but that he kept a record of all letters passing over route No. 15414 from or to his office for six months, and reported to the Department that the service was unnecessary, and that it cost the Department at or near the rate of a thousand dollars for every letter carried over the said route. That the service on the route was continued; that the said Charles Moore was removed from office, and one James M. Gorman, the agent of the contractors upon said route, was appointed postmaster in his place; that the people of Walla-Walla made such a fuss that the said Gorman did not take the office.

The deponent further says that from the records of the Post-Office Department he has taken the following statement, viz:

Route No. 15414 was let in March, 1870, under advertisement of September 30, 1869, for once-a-week service, to L. L. Blake for \$15,100 per annum; (failed to contract.)

Contract for once-a-week service, made with C. C. Huntley, at.....	\$22,900 00
July 29, 1870, one additional trip, ordered on side-supply	2,022 00
August 23, 1870, service extended on side-supply to Gird's Creek, 45 miles, increasing pay	4,550 00
December 22, 1870, two additional trips ordered between Missoula and Walla-Walla, increasing pay.....	41,754 00
Pay per annum	71,226 00

[Also shown by Ex. Doc. No. 322, 42d Cong., 2d sess., p. 622.]

Advertised in 1873 as route 43127, three times a week, mail.

Chas. Moore appointed postmaster Walla-Walla, Wash., March 17, 1869. Re-appointed (office made presidential) July 13, 1870.

James M. Gorman appointed postmaster Walla-Walla, January 29, 1873; (failed to bond.)

Samuel D. Smith appointed postmaster Walla-Walla, March 18, 1873.

THEODORE L. HOLBROOK.

WASHINGTON COUNTY,
District of Columbia:

On this 16th day of May, in the year of our Lord one thousand eight hundred and seventy-four, personally appeared before the subscriber, a justice of the peace in and for the county and District aforesaid, Theodore L. Holbrook, who made oath on the Holy Evangelical of Almighty God that his signature to the paper immediately above is his own act and deed, and that the contents of that paper are true to the best of his knowledge and belief.

JAMES LAWRENSON, [SEAL.]
Justice of the Peace.

This affidavit is furnished to General Wm. T. Clark, with the express understanding and agreement that it is to be used only for the purpose of satisfying those whom said Clark knows desire to put a stop to the plundering of the Treasury as to the condition of affairs which can be proved to exist in the Post-Office Department, by a thorough

and impartial investigation; and this affidavit is not to be published or used as evidence without the consent of T. L. Holbrook, which will be given in case a proper investigation fails to substantiate this statement.

W. T. CLARK.

T. L. HOLBROOK.

The WITNESS. This affidavit was furnished by me to a gentleman to be used for just the purpose for which it is now being used, who signed this indorsement:

"This affidavit is furnished to General Wm. T. Clark, with the express understanding and agreement that it is to be used only for the purpose of satisfying those whom said Clark knows desire to put a stop to the plundering of the Treasury, as to the condition of affairs which can be proved to exist in the Post-Office Department, by a thorough and impartial investigation; and this affidavit is not to be published or used as evidence without the consent of T. L. Holbrook, which will be given in case a proper investigation fails to substantiate this statement."

I think you will understand now, Mr. Stowell, that no officer of the Department would be likely to wish to bring these things to the attention of his superior officers. I certainly knew too much to do it, if I desired to remain there.

Q. How long were you in the Post Office Department?—A. I was appointed in 1868 a clerk in the money-order bureau, and I was connected with Dr. McDonald from that time until I resigned, except about a year, when I was a clerk for George Armstrong.

Q. How long have you been in the Post-Office service?—A. Since 1861.

Q. Where were you first engaged in the Post-Office service?—A. In Chicago; I was appointed there in 1861, in the post-office, and severed my connection with it about the 1st of October, 1867; then I went into the Department, in the fall of 1868; I was in the post-office at Chicago from 1861 to 1867, all the time. There were several postmasters; the first, during my term of absence, was John L. Scripps, editor of the Tribune; the second was Gilmore; the third was Frank Sherman, under whom I went out.

Q. Did you resign to take a place here in the Department?—A. No, sir; I did not. I left the Department, and traveled for a lumber-house in Chicago, that I had been connected with previous to my connection with the post-office.

Q. Did you resign in Chicago, or did they drop you?—A. I was dropped from the roll; I do not know for what reason; it was just after the change of administration, when Sherman came in.

Q. He, I suppose, had other friends whom he wanted to put in your place?—A. He promoted a gentleman who was in the office to my place.

Q. So you think it was simply a personal or political change, and not for any neglect of duty?—A. I left the office, sir, with the indorsement of the Assistant Postmaster-General, with the indorsement of Mr. George Armstrong, who was then stationed at Chicago as superintendent of the railway-service, with the indorsement of J. H. Wickizer, a special agent located at Chicago, and with the indorsement of J. S. Beard, money-order agent for Dr. McDonald's bureau, who is now a special agent for the bureau.

Q. Then, you say, you traveled for a lumber-house?—A. I did, for about two or three months.

Q. When did they drop you from the rolls in Chicago?—A. About the 3d of October, 1867.

Q. When did you get your place in Washington?—A. I came to Washington in the spring of 1868, and was appointed in the Department in the fall of 1868.

Q. Were you out of employment all the time between the spring and the fall of 1868?—A. I was about my brother-in-law's office here, sir.

Q. When you first went into the Post-Office Department you went in under Dr. McDonald, in the money-order bureau?—A. Yes, sir; in the fall of 1868.

Q. How long did you remain there?—A. I remained there until the change of administration, when Mr. Armstrong came here, and then, at his solicitation, I accepted the position of clerk to him. I was appointed in the contract-office and detailed to him.

Q. Were you ever a special agent?—A. I was a special agent for Dr. McDonald's bureau from about the 1st of August, 1870, until the 1st of July, 1871, when I went into his bureau as an \$1,800 clerk.

Q. Your service in the Post-Office Department was continuous from 1868 until you were dropped?—A. It was.

Q. You were simply put in different bureaus?—A. It was continuous in different bureaus, all except the eleven months that I was a special agent. I was traveling most of that time, except when Dr. McDonald was absent, when I was on duty as a clerk, although a special agent until July, when Mr. Haines was promoted and I took his place.

Q. Your service was continuous, then?—A. Yes, sir.

Q. You were not dropped from the roll?—A. No, sir.

Q. In your statements about the money paid by Kittle, I understood you to say that Kittle practically bought up one clerk after another?—A. So I understand, sir.

Q. He bought up, in the first place, the clerks who had charge of the Texas bids, and then when the transfers were made he bought up the clerk to whom the Texas routes were committed?—A. Yes, sir.

Q. Do you know whether it is a common practice there by contractors to buy up clerks?—A. I know that the irregular transactions of certain contractors are impossible without the knowledge of the officials of the Department, but I never knew of any instance where it was developed that they were bought up, except in this case.

Q. In your experience in meeting contractors, did any of them ever offer to buy you up?—A. They never did, sir. I never was in a position where they wanted me; I never was tempted.

By Mr. CANNON:

Q. Who is Clark, that you gave that affidavit to?—A. He was an officer on General Grant's staff; he is now the attorney for Hon. Rufus Ingalls, the Quartermaster-General, as I understand it.

Q. What was he doing at that time?—A. He told me that he was seeking to expose frauds.

Q. Was he a special agent of the Department?—A. He had no connection with the Department.

Q. Had he had any prior to that time?—A. He had been postmaster at Galveston.

Q. He had been turned out, had he not?—A. I so understood.

Q. He was out of humor?—A. Yes, sir; otherwise I would not have expected him to use a paper like that.

Q. Theodore L. Holbrook is your name?—A. Yes, sir.

Q. You made that affidavit?—A. I did, sir.

Q. As to what somebody had told you?—A. As to what Mr. Underwood had stated in the presence of Mr. Whitaker and myself.

By the CHAIRMAN:

Q. I understand you to say that Mr. Underwood is in the city?—A. He is under subpoena to appear before this committee.

By Mr. CANNON:

Q. What was he; a special agent?—A. He is now a special agent, and has been ever since, so far as I know.

Q. I believe you make an affidavit there as to having taken certain matters from the records of the Department?—A. I do, sir.

Q. Did you make a complete transcript from the records?—A. Of those points.

Q. Of all points; is that merely matters picked out here and there, or is it a complete transcript of the records in reference to this route?—A. It is a complete transcript of all orders on that route, affecting the pay, up to that time.

Q. Are there other papers relating to increase of service, or to restoring the service?—A. I do not know that.

Q. Were there at the time?—A. I do not know that. That does not appear upon the records.

Q. Does it appear upon the files?—A. I did not examine the files.

Q. Did you have access to the files?—A. I did not.

Q. You did examine to see upon whose recommendation this was done?—A. I simply examined to see whether Mr. Underwood's statement to me was true as to the cost of that service, and the removal of this postmaster, and the appointment of Gorman, who was the agent of the contractors.

Q. That is to see whether in point of fact he was removed?—A. Yes, sir.

Q. You don't know further than as Mr. Underwood stated to you whether he was removed?—A. I do not.

Q. Who was Second Assistant Postmaster-General at that time?—A. Colonel Routt was, I believe.

Q. Did you ever call his attention to this matter?—A. No, sir. After General Smith left the office all matters of importance connected with the contract-office I understood were—

Q. How did you get access to the records in the Second Assistant Postmaster-General's Office?—A. My position gave me access to all records.

Q. Having great confidence in Colonel Routt as an honorable man, why did you not call his attention to that matter?—A. Colonel Routt was in a very peculiar position; I think that if you know him you will appreciate that.

Q. I do know him perfectly well.—A. He was under great obligations to General Smith. General Smith had brought him here and made him chief clerk in 1869; he had then assisted him to his appointment as marshal of Southern Illinois; he had secured his appointment as Second Assistant Postmaster-General, and he had also done a great many favors for him in the Army.

Q. This matter that you have testified to in this affidavit took place under General Smith, did it, while he was Second Assistant?—A. Yes, sir.

Q. It was not a matter that took place under Colonel Routt, then?—A. No, sir.

Q. Still, if that action was fraudulent, Colonel Routt being an honorable man, if that matter had been called to his attention, would have had to take action?—A. I suppose he would have had; but you will see by the affidavit that Mr. Underwood had reported the fact to the Department. His reports all went to the Second Assistant's Bureau.

Q. Did you ever see that report?—A. I did not.

Q. You had access to see it?—A. I could have gone and seen it.

Q. Then it was out of regard for Colonel Routt's feelings that you did not call his attention to it, knowing he was a good man?—A. I think you will find that Colonel Routt was in a very embarrassing position there.

Q. I cannot conceive of a position in which an honest man can be placed that, if a fraud is committed and brought to his knowledge, he should not expose it. Has that affidavit been used?—A. It never has been used, except upon the floor of the House. It was shown to a number of gentlemen there. Mr. Luttrell made use of the matter contained in it in his charges before your committee. I understand that those charges were not pressed. I understand so from the report of the committee.

Q. This was furnished to Mr. Luttrell at the time that he preferred those charges?—

A. That was furnished to William T. Clark, (not to Mr. Luttrell,) after the investigation before your committee had virtually ceased.

Q. Mr. Luttrell had never seen this before that?—A. He knew all the facts contained in it.

Q. He knew all the facts contained in this, then, before he preferred his charges?—

A. He knew the facts in relation to this route before he preferred them. I saw a letter that he had from Charles Moore, who was removed, stating those facts.

By Mr. McMAHON :

Q. Where is Charles Moore now?—A. I do not know, sir.

Adjourned.

WASHINGTON, D. C., *February 15, 1876.*

JOSIAH W. BISSELL sworn and examined.

By the CHAIRMAN :

Question. Where do you reside?—Answer. Jenkins Valley, Miss., (formerly Skipwith's Landing.)

Q. What is your occupation?—A. Merchant and planter. I have been postmaster there about ten years.

Q. Has there been any difficulty, to your knowledge, in the carriage or delivery of the mails?—A. When the business was first established there we had a mail probably once a week by the Atlantic and Mississippi Line very irregularly. That was from 1866 to about 1870. From about 1870 to this time the mail has been delivered part of the time twice a week, and lately three times a week, by a line called the Anchor Line, of which Mr. Scudder, of Saint Louis, is president. It was formerly by a line which is now merged into the Anchor Line.

Q. Do you know who had the contract for carrying the mail?—A. I have never heard, sir.

Q. Please state how that mail was carried.—A. Beginning with the line which was prior to the Anchor Line, for about two years it was twice a week, and for about three years latterly it has been three times a week, delivering in steamers. I have a man at the landing who received and delivered the mails without expense to the Government. I pay men for carrying it to and from the boat.

Q. What we want to arrive at is whether the mail was according to contract?—A. I don't know what the contract is. That was twice a week for two years, and three times—

Q. Did the boats land and deliver the mail?—A. Well, except there was ice in the river above. There would be times that these boats that ran from Saint Louis to Vicksburgh, when the river was frozen up from Saint Louis to Cairo, sometimes a week or two weeks or three weeks, that we didn't have any mail, and I made an arrangement to have the mail brought from Vicksburgh, paid the expense myself, or took up a contribution for it. We sent it off on other boats, and sent down special messengers to receive it from Vicksburgh. But that was only when the ice was so great or the water was so low that the boats could not run from Saint Louis to Cairo. At such time it was irregular, but considering the distance that the boats had to run, the mails have been delivered with great regularity, except at those times. This winter there has been no failure whatever, except in regard to the money-order business. I had post-office money on my hands sometimes for fifteen days that I could not send off. We would get the mail regularly enough, but I could not send off my money. My office is a money-order office, and I am required to remit money by every boat, ac-

according to the rules of the Department. My orders would be paid at Memphis and other places, and there would be no remittances, and they would be inquiring about it, so that it became necessary for me to report on every occasion, and I would make up my report that the boat took the mail but would not take the money.

By Mr. STOWELL:

Q. Why would not they take the money?—A. They had no agent to receive it.

By the CHAIRMAN:

Q. We have had it in testimony here that there was a special agent sent down to investigate the difficulty there about the money-order business. Now you state that that difficulty in that business occurred because the mail-facilities were not regular.—A. I should state also that in my office there was a deficiency of \$431, a package that I supposed was lost, but which I afterward ascertained was stolen by a business partner of mine, and I made it good to the Department. The agent came down there also to see about that. I had found out the false entry in the books just the day before he came, and I paid it myself. The money was charged as paid to the Department when it had not been paid; the money-package had been made up and the money not sent off.

By Mr. WALLACE:

Q. Your partner had stolen the money?—A. Yes, sir; I presume so; he had gone away.

By the CHAIRMAN:

Q. Has the Anchor Line carried the mail during all the time that you have stated?—A. Yes, sir; for five years or thereabout.

Q. Up to this date it has been carried by no other carrier?—A. No other. There have been perhaps three or four cases where the mail accumulated and the post-office would send a man on another boat with it when the ice was so great that the Anchor Line boats could not run. In one case this winter, in consequence of the ice, we had no Anchor Line boat for a week or ten days.

Q. You don't know what number of irregularities there were at that office, or how much time they extended over?—A. I could not say from memory; I keep a record, but I did not bring it with me. I should say that for ten months in the year the mail is delivered with very great regularity indeed, considering the length of the steamboat-routes, and then for two months there is considerable irregularity occasioned by the ice generally, but this winter it has been by low water.

Q. You do not know the contract-parties?—A. I know nothing about the contract-parties.

By Mr. CANNON:

Q. Where is Skipwith's Landing from the mouth of Red River?—A. It is two hundred and ninety miles above.

Q. Where from the mouth of White River?—A. It is a hundred and ten miles below.

Q. You speak of a difficulty about your money-orders; I don't understand exactly what you mean by there being no agent on the boat. Explain that.—A. Each of these Anchor Line boats has a room and an agent who delivers and receives the mail and receipts for these money-packages. Very often these winter-boats have come down with the second clerk on board receiving and delivering the mail, but he would not receipt for money-order packages.

Q. Is the agent in the employ of the steamboat company under its contract, or is he a separate mail-messenger?—A. They call him the mail-agent. I don't know about it; but they say, "We have no mail-agent; we won't take the package."

Q. Where there have been failures to deliver mails while you have been postmaster, have you reported them to the Department?—A. Yes, sir; generally.

By Mr. AINSWORTH:

Q. Was there no person on the boat who was a sworn officer of the United States authorized to receive the mails?—A. That I don't know, because I don't go to the boat myself. I am some distance from the river; I have a sworn agent at the river, the landing-clerk, who has a safe there and takes the mail.

Q. You personally know nothing about it?—A. I only know that he tells me that they refuse to receive the money-packages. When this has occurred, however, ordinarily, it was when the river was so low that Mr. Scudder's boats could not run, and he had hired another boat; that other boat would carry an Anchor, but it was not one of the regular Anchor Line boats, merely a temporary boat employed on account of the low water.

WASHINGTON, D. C., *February 15, 1876.*

EDWARD F. O'BRIEN, sworn and examined, testified :

I reside in the city of Washington, and have resided here for eight years. I am now practicing my profession as a physician, and am also a druggist; I have been so engaged since August last. Prior to that I was an inspection-clerk in the Post-Office Department.

Q. Please state to the committee any knowledge that has come to you in the discharge of your duty in the office, through your inspection-books or from intercourse with officials in the Post-Office Department, in regard to the contracts known as the Peterson contracts for carrying the mails.—A. There were but two routes on which there seemed to be any fraudulent performance or non-performance of service, Nos. 7505 and 8006, in two separate States, one in Louisiana, the other in Arkansas; 7505 was a steamboat-route. My attention was called particularly to that in consequence of the reports and complaints coming in for the non-performance of the service or the non-delivery of the mail. It was in January that I took charge of that desk.

Q. I presume you understand clearly what we desire to get—all the knowledge you have in regard to those contracts, any orders that were given to you, any investigations that you made, and the result of those investigations.—A. I was assigned to take charge of that section in January, 1875. My statement can only extend back to that time. I was put there in consequence of its being found or stated that there were a great many frauds going on in relation to the service in those States, which had been developed during the preceding fall. The first of the steamboat-routes was called to my attention by Mr. Woodward, who sent for me and placed a quantity of papers in my hands—reports of postmasters, the report of the superintendent of the money-order department, reports of the postmasters at Vicksburgh, at Memphis, and at New Orleans, showing that Peterson was receiving \$27,000 a year for three times a week service, and that the service was not being performed by him, he being neither an owner nor a master of a steam-vessel, but engaged in carrying the mail—drawing his pay regularly and not performing the service. That was the commencement of my investigation. Mr. Woodward gave me that first information, and placed the papers in my hands.

Q. What did he tell you about it?—A. The papers belonged to my section. That was the place that they ought to have come to in the first place. It was from my desk that the investigation ought to have been made, and the examination by letter of the postmaster and route-agent on the route. They had no business in the hands of the special agent until they had been through my desk, in order that the papers which I had on file in relation to the service might have been compared and copies sent out. I found on an examination of the papers on my desk that there were a great many complaints from various postmasters, and that they were merely briefed and filed; no action taken on them. I wrote to the postmaster at New Orleans for a list of the steamers employed by Mr. Peterson in the conveyance of the mail on that route. I wrote to the postmaster at White River; also to the postmaster at Red River Landing, demanding evidence of service from July, 1873, which was not on file in the Department and could not be found anywhere; also insisting that the name of the steamer, in each case, and the name of the captain of the steamer, with the date and the hour of its arrival and departure, should be furnished at once. To that letter an answer came, stating that no record had been kept; and some two or three registers were sent, covering a period of three months at a time—for instance, a register of arrivals and departures for July, August, and September. I made a search through the retained files of the Department, and found no evidence from Red River. From New Orleans I received a letter giving a list of steamers, and also a statement made by the postmaster that Mr. Peterson was in the habit of calling for the mails himself; and inclosing a letter from a superintendent or a clerk of the post-office department in New Orleans, stating that Mr. Peterson generally took the mail back himself, went to the wharf, took the first steamer that was going to Red River Landing, made a contract with the captain or clerk of the boat to deliver the mail, and on that party bringing back the receipt of the postmaster at Red River Landing, showing that the mail had been delivered, he would pay him \$5. I don't recollect the name of the writer of that letter. The letter itself is on file with the other papers of the Peterson case. It seemed to be an answer of a letter of inquiry from the postmaster at New Orleans.

Q. Were there any other irregularities that your attention was called to there?—A. The first day I took charge of that section an order was sent down to pay Mr. Peterson. That was very early in the month, when there was no evidence on file that for the quarter ending December 31 he had performed any service. That was the quarter that the pay was ordered to be made for, and for which it would have been made, in the ordinary course of business, along about the 2d or 3d of February. It was made in fact about the 16th of January. This order was for me to certify to Peterson's routes. A route has to be certified before it is paid. The certificate that goes from my desk is to the effect that there is evidence of the service having been performed, and that there are no fines or deductions.

Q. What evidence is necessary to make out that certificate?—A. The monthly report from each end of the route, and also evidence from intermediate offices, providing they are schedule points. For instance, on route 7005, from New Orleans to Red River Landing, the registers from the three offices, New Orleans, Red River Landing, and White River, must correspond, showing that the actual service has been performed; that is, when the boat leaves New Orleans, then, so many hours after, it must reach White River Landing, and on a certain day, 60 hours after leaving New Orleans, it must reach Red River Landing. On its return, the intermediate office, White River, shows that it arrived from Red River Landing at such a time, and the New Orleans office shows its arrival from White River. Those registers are absolutely necessary in order to show that the mail has been carried clear through, from one end of the route to the other.

Q. I understand from you that that evidence was not before you at that time?—A. That evidence in regard to that contract was not before me then, nor never was.

Q. You say that an order came to you to make out the certificate.—A. The order came down in the form of a slip of paper with a certain number of routes in Arkansas and Louisiana, on which Dr. Peterson and Bodine C. Peterson were contractors. Peterson was interested in routes in Louisiana as well as in Arkansas, and the numbers of them were sent down to be certified; that was the order that came down.

Q. From whom did that order come?—A. It came to me through the regular channel, the chief of my division, marked "F," signed by Mr. French.

Q. Did you make out the certificate in obedience to that order?—A. I certified to some; others I objected to. After I had certified to the service, I had a consultation with Mr. Woodward, and also with Mr. Hopkins, a special agent, in regard to that service. I told Mr. Hopkins that from the investigation I had made I had become perfectly satisfied that Peterson was being paid for service which was not in operation, and I asked Mr. Hopkins to aid me as far as he possibly could in ferreting out these steamboat-services, and we searched the records and found registers from New Orleans which reported the departure of the mail at such and such a time, while the White River office nor the Red River Landing office did not report the arrival of that mail but once in five days or seven days, as the case might be, and in one instance twice in a month, showing that the mail left New Orleans on its regular mail-day, and there was no trace of where it went to. I am speaking now of route 7505, from New Orleans to Red River Landing, which route was covered by another route from New Orleans to Vicksburgh.

Q. Are you certain that you have the number of that route correctly?—A. I think I am. Mr. Scudder's contract covered the whole of that ground. If you look at it you will find that, taking Scudder's and Peterson's contracts together, it made the service six times a week, when, in fact, there was only service three times a week.

By Mr. McMAHON:

Q. That is, Scudder's service covered all the way from Saint Louis to Vicksburgh?—A. Yes, sir; White River, Red River Landing, and all the way down. The service, so far as we could find out, was performed by some line of steamers that were performing the service three times a week for the Government. Peterson was getting pay for three times a week service, and Scudder was getting pay for three times a week service; but Peterson was getting pay for service which was not performed.

By Mr. MILLER:

Q. Do you say that in the advertisement of those routes the number was the same in each case, 7505?—A. No, sir. I don't remember Scudder's number.

The witness at this point, at the request of Mr. Luttrell, made a diagram showing the two mail-routes in question.

By Mr. LUTTRELL:

Q. [Referring to the diagram.] Now, I understand you to say that Scudder carried the mail for here on one contract, and that Peterson carried it on another contract, and they were supposed to carry the mails on alternate days, but in fact it was carried by the same boat on the same day?—A. Yes, sir.

By Mr. MILLER:

Q. Scudder didn't have any contract to New Orleans?—A. No; but he ran his boats through.

Mr. MILLER. But that does not make two contracts. Scudder ran his boats and Peterson carried his mail on Scudder's boats, as he had a right to?

The WITNESS. There are three or four routes running from New Orleans. There is one to Saint Francisville; then there is another short line on which there was a contract, and it was very often on some of those boats that Peterson carried the mail, as I have been informed.

By Mr. McMAHON:

Q. Is it not between Vicksburgh and New Orleans, and between Vicksburgh and Red River that this double service was performed? I will call your attention to route 2006,

which calls for service from Vicksburgh to New Orleans.—A. Yes, sir; that is the Louisiana route.

Q. Then there is route 8013, from New Orleans to Shreveport, which would go, of course, up to the mouth of Red River.—A. Up to the mouth of Red River, and then Red River.

Q. Is not that the place where the service was twice a week, or do you say it was from Vicksburgh to Red River?—A. New Orleans reported the service on that route, White River and Red River Landing. Then there was a continuation of that same route from Red River Landing to Shreveport, and a continuation of that to Alexandria, and New Orleans reported on each one of those routes, and those were the routes in which Peterson was interested.

The CHAIRMAN. Proceed with your general statement.

The WITNESS. After we became satisfied that no service had been performed, Mr. Hopkins and myself took the evidence that we had and searched back to 1874, and there made up a case of non-performance of service, and put on fines and deductions for non-performance amounting to \$10,000, dating from July 1, 1874, to December 31, 1874. I made that case, and the papers were sent up, and whatever deduction or change was made was made after it left my room. I have never seen the papers since. The deduction that I put on for non-performance of service on route 7505 amounted to \$10,653.90. That covered from July 1, 1874, to December 31, 1874. The case was made April 22. The man had been paid somewhere along about the 16th or 17th of January, at least one or two days before the evidence came in.

Q. At what time did the order to make out that certificate come to you; was it before you got the proper evidence before you?—A. I think it must have been from the 14th to the 17th of January, 1875. I do not remember the date at which I took charge of that desk. I was running my own section at the same time.

Q. The fines that you had worked up, this \$10,653, had been worked up previous to that?—A. No; there had been no fines at all imposed on him. He had been paid in full every quarter.

By Mr. STOWELL:

Q. He had been paid in full up to the end of the year, he had been paid in full every quarter up to the end of the year, and on the 16th of January, 1875, he had been paid in full for the year 1874?—A. Yes, sir. My attention was called particularly to this case, for the reason that, in Tennessee, there was a steamboat line running to Saint Louis which connected with this route, and on that December quarter I had deducted from the other steamboat lines nearly six weeks' pay in consequence of ice and bad weather.

By the CHAIRMAN:

Q. Who do you say assisted you in working up these fines?—A. Mr. Clay Hopkins; nobody else. It was what you might call extra official work; it was done for the satisfaction of finding out why that man was paid and the others not.

Q. Did you communicate, during that time, with Mr. Woodward in regard to it?—A. Yes, sir; several times we submitted the papers to him.

Q. What conversations occurred between you and Mr. Woodward in regard to it?—A. We had several conversations in relation to the evidence that had been furnished him by a special agent, whose name I do not remember, and also in regard to the complaints that had been made by other parties not immediately connected with the Department; also as to the claim for service for carrying the mail made by some steamboatman who claimed to have performed the service once or twice a month for Peterson, for which he had got no pay. I remember perfectly well one conversation with Mr. Woodward, or at least a remark of his. One morning he asked me if I had seen Peterson, and I said no. He said it was barely possible that the case might be brought up for Peterson, for his influence was here at work, and that I had better have all the papers together, so that they might be reached handily when sent for. "I have evidence enough," said Mr. Woodward, "to break every contract he has got. He has been getting pay from the Government for a number of years, but I think he will get no more." And, sure enough, it was but a day or two afterward that the papers were sent for by Senator West, who was there.

Q. Did you see any communication or hear any communication between Senator West and the Department in relation to it?—A. There was a telegram from Senator West, which came to my desk, in relation to the pay of Peterson.

Q. How did it come to your desk?—A. In the regular order of business—in the distribution of the mail.

Q. Did that telegram come to you about the time that this order came to you to make the certificate, or was there any connection between the two?—A. No; the application of Senator West for the pay was in consequence of my holding back the pay of Peterson until I had got a case thoroughly worked up, on which I could understandingly make a fine, or, to use the Department expression, make "a case that would hold water,"

so that there might be no flaw to show that there was any prejudice existing on the part of the clerk making up the case.

By Mr. STOWELL :

Q. Was that the case for the quarter ending December 31?—A. It would be for the quarter ending March 31. The telegram came to my desk in relation to the pay of Peterson, and I filed it with the other papers, telling the chief of the division that the papers were in the hands of Mr. Woodward, that they had not been returned to my desk, and that I was waiting for evidence from Red River Landing. The telegrams were usually answered by the chief of division, Mr. Lake. The chief came to inquire why the pay of Peterson was suspended, and the answer that I gave him was that I was waiting for evidence from Red River Landing, Shreveport, and Alexandria, and that the papers were then in the hands of Mr. Woodward. The whole evidence in relation to this failure of Peterson was taken out of my hands, and kept out.

Q. Who took it out of your hands?—A. Mr. Lake. All cases made up in the inspection division go into the hands of the chief of the inspection division for the purpose of being examined, and then taken to the Second Assistant Postmaster-General. There is but very little communication ever held between the Second Assistant and the inspection-clerks; everything that is done by the inspection division goes through the hands of the chief of the division; it is very rarely that the inspection-clerk ever sees the Second Assistant. I saw the "case" once, and the original jacket that the papers were inclosed in, which was indorsed in my own peculiar handwriting, had been removed and a new jacket had been substituted. The "jacket" of the case is the outer covering on which the brief of the case is made, giving the dates of the failures, the points which the mails fail to arrive at, and then, underneath, the brief of the case is given, the excuse, if there is any; if not, it is marked "No satisfactory excuse appearing, therefore fine or deduct." The brief of the case is written in red ink, and the order to deduct or fine is written in black ink. The initials of the clerk are on the corner. It is signed by the Second Assistant Postmaster-General. These "cases" contain the whole evidence, everything relating to the case, either to the non-performance of service or the actual performance of service, and the "case" should be returned within twenty-four hours, so as to be entered on our books and notification sent out.

By Mr. STOWELL :

Q. The papers should be kept in your hands?—A. The papers should be kept on file under the proper numbers.

By the CHAIRMAN :

Q. Were the papers ever returned to you?—A. I never have seen those papers but once since, and that was on Mr. Lake's desk, when I discovered that my jacket had been removed and replaced by another one; and I don't think that on my books you can find the amount of the fines that should have been entered there on the return of the case to me.

By Mr. STOWELL :

Q. Did you enter the fines there?—A. It ought to have been returned so that I could enter them, but it was not.

By the CHAIRMAN :

Q. Did you read the indorsement on the new jacket?—A. I did not. I had no opportunity.

Q. Can you state the language of the order that came to you to make out the certificate for Peterson's pay?—A. It was merely written on a slip of paper, torn from one of the memorandum tablets, "Certify such and such numbers," written with blue pencil, with "F" at the bottom.

By Mr. STOWELL :

Q. Was that the ordinary form of referring cases to you?—A. It was the ordinary form. Very often there was a verbal order to certify.

Q. But you don't certify?—A. Yes, sir; the order is given to certify.

Q. But, as I understand it, you do not certify. You do not sign the "case;" you simply make it up.—A. We make the certificate. The numbers ordered to be certified are taken from our books.

Q. You make up the brief?—A. No; there is a difference between "case" and the certificate. One goes to the Auditor.

By Mr. McMAHON :

Q. Explain a little more fully what you mean by certifying.—A. The law requires that once every month the postmaster shall report the actual amount of service performed by a contractor. Those reports come in the shape of blanks, registers of arrivals and departures from such an office, route No. —, (whatever the number may be,)

from such a point to such a point, with the name of the contractor and the name of the carrier. On one side the days of the week, the day of the month, the hours of arrival, the hours of departure, and the second column of the same; on the bottom, the certificate of the postmaster. On the reversed side failures, and causes thereof. On that evidence received at the end of each month, we certify. We enter those registers when they come in, and we have our own peculiar marks; for instance, when registers are received, they are assorted according to their proper numbers and States, and where there is a fine, they are marked with a blue pencil and then put aside until the end of the quarter. At the end of the quarter there are so many failures marked on each register. The registers are then compared, to see whether the failures are entire failures, or a failure to arrive at one end or to depart at the other. A man may fail to depart and fail to arrive also, which makes it a total failure; or he may start from one point and reach another point, so many miles distant, and the postmaster on the reversed side reports, "Mail reached such a point, arrived so many days or hours behind time." On this evidence we make up the case. Those registers are followed up, the case is made out, and it goes to the Second Assistant Postmaster-General for signature. From there it goes to the journal-room, where the registers are entered. Then comes our certificate. At the end of each quarter, as fast as evidence comes in, we certify to those that we call clear; that is, where there are no fines or deductions, and no suspension of pay. Where there are fines, we put the number and the deduction, or the fine, on the same certificate. That is also signed by the Second Assistant Postmaster-General, and that goes to the Auditor, where the amount is deducted. The certificate is made in our room, based on the evidence we receive, which, in consequence of the immense amount of work, nobody but the clerk sees, as a general rule, unless it is called up in evidence, or is in the case. The certificate for full service goes to the Auditor. A clear certificate goes up first. The fines and deductions on the cases, as they are collected, are made up afterward, and the amount on each certificate against each number goes up.

By Mr. STOWELL:

Q. When you used the word certificate, you mean that the case is a clear case?—A. No. We certify that service has been performed, or we certify that service has been performed with so much deduction.

Q. But you use the word "certificate" and the word "case." Now, as I understand it, when you say "certificate," you mean a case where the service has been fully and satisfactorily performed, while a "case" is a statement of the fines and deductions?—A. No. The case shows the service not to have been performed; that is, the "case" containing the evidence from the postmasters and the correspondence showing that there has been a delinquency somewhere on the part of the contractor. That evidence goes right into the case. The certificate accompanies the case. A clear certificate goes right along; there is no case with it. A certificate with a "case" attached goes to the chief of the division; he goes through the entire thing, and makes a comparison to find out whether there is too great a deduction, or not enough. For instance, they may consider that a clerk has some personal feeling with regard to a contractor, and he may put on too heavy a fine, and the chief of the division takes it upon himself to alter a fine, to reduce it, or to take it off altogether.

WASHINGTON, D. C., February 15, 1876.

EDWARD F. O'BRIEN recalled and further examined.

By Mr. MCMAHON:

Question. I do not know whether you stated how long you had been in the Department.—Answer. Seven years.

Q. In what position?—A. I entered first as a first-class clerk in the contract-office. I remained there a short time, and was promoted to a second-class clerkship, and placed in charge of the inspection-desk of Indiana, Tennessee, and Kentucky. I remained there for some eight or nine months, and was promoted to a third-class clerk. I kept charge of that desk until January, 1875, when I was transferred to the Texas desk.

Q. What is your profession?—A. My profession is that of a physician and druggist.

Q. How long were you in the Army?—A. Thirteen years.

Q. In the Regular Army?—A. I belonged to the First Mounted Rifles, from 12th June, 1856, until the war broke out in 1861. I joined the Twentieth Massachusetts in October, 1861.

Q. What rank did you hold?—A. From private to first lieutenant in the Regular Army, and lieutenant-colonel in the volunteer service.

Q. You served through the entire war?—A. From October 1, 1861, until September, 1864, and then I was put on detached service.

Q. How many times were you wounded?—A. Ten times during the war. I lost a leg, and sustained a fracture of the skull, and several other smaller wounds.

Q. To come back to the matter, give us the names of the different contractors, during the time you were in the Department, who were generally known as ring-contractors, or as connected with the straw-bidding system, who reaped the benefit.—A. The most prominent man that I know (or whom I knew when he was living) was F. P. Sawyer. Following him was a party by the name of Parker. There was still another of the name of Tisdale. They were sometimes contracted under the name of Tisdale & Parker. Then there was a number of men residing in the city who were supposed to be bidders. One man by the name of Cook used to make bids, and powers of attorney were given by him to Sawyer & Parker. Looking over these bids, we used to recognize them as belonging to Barlow, Huntley, and Sawyer, and men of that class who held powers of attorney. That is, under the law there can be no transfer of contracts, but a contractor can give a power of attorney to somebody in the city to act as agent, and all letters and communications were addressed to this party acting as agent in the city of Washington. Barlow, and Si Huntley, and Charlie Huntley, being here, held powers of attorney for a good many routes. In the States of Indiana, Tennessee, and Kentucky there was not so much of this attorney business, as they were mostly small routes. In Louisiana, most of the routes, except the steamboat-routes, were small routes, and were not transferred by power of attorney. The largest contracts were in the Territories, of which I know, as I was only about a month in that section. The Auditor's books would show much better than the books of the post-office would, for the reason that the powers of attorney are filed in the Sixth Auditor's Office and not in the post-office. They show to whom the drafts were made. In the post-office we can recognize only the name of the contractor.

Q. The nominal bidder?—A. Yes; the order would be made by the contract-office: "Change address of so-and-so to somebody else, in care of somebody else." For instance, a man like Peterson, in the last letting, bid on a number of those large Texas routes, running from El Paso, Corpus Christi, &c. That was bid in the name of Grant and other parties, who were mere myths as far as being contractors, but were recognized by us as being Peterson's men. It used to be the same with Mr. Sawyer, who had charge of the large route between Indianola and Corpus Christi, and all communications were sent to Mr. Sawyer, Georgetown, and not to Texas.

Q. Was it well understood among the higher officials that those contracts, while made in the name of other parties, really belonged to those ring-bidders?—A. It would seem very strange if it would not. Take, for instance, the Texas and California Stage Company, that was bid off in the name of D. A. Coffin, a clerk in the Internal Revenue Department—a first-class Government pauper, keeping a boarding-house. There was also J. C. Kinsey, an old stock-raiser, and Amos P. Curry, of Arizona, who, I believe, never saw Texas, and we understood that the president of the bank of Little Rock, Logan H. Roots, and Richard Kerens, an old mail-contractor, living in Arkansas, at Fort Smith, were the bondsmen on these routes. These men were the bondsmen actually on their own contract, acting or claiming to be the Texas and California Stage Company, with president, treasurer, &c. The president was L. H. Roots, the Christian banker of Little Rock, as he was called. All the communications were to be sent to L. H. Roots. Everybody knew that Coughlin had not a mule, or horse, or stage.

Q. Did I understand you to say yesterday that, in working up the Peterson contract, you and Clay Hopkins worked together?—A. Yes.

Q. And did most of your work together?—A. Yes; and also at the time we worked up the Kittle frauds.

Q. That is in the Texas division?—A. Yes.

Q. Just state what you did in the working up.—A. There had been complaints made by postmasters and special agents and by Roger Q. Mills that the services, as let to Mr. Kittle, were not being performed, and that on some of the very large routes on which he was contractor he was supposed to have performed it six times a week, but through some manipulation they used to start on regular time from each end of the route and go out twenty miles and then return on proper time, and instead of performing something like 140 miles, they would go out so far and stop, and the service on the center of the route was reduced from six times to twice and even once a week. A special agent was sent out, and he made a report, known by the name of the Cox report, a very voluminous document, where he had made an inspection of Kittle's route, and reported that the service was being properly performed; that there were horses, &c. Mr. Mills filed in the Department the affidavit of one Tomasson, whose brother was one of Kittle's postmasters. There seemed to be some little difficulty as regards money-matters, and Kittle blowed on him. Hopkins was brought from Pennsylvania and sent to investigate the frauds. While there he mailed his reports of each route which he had visited. Some portions of these reached the Department and others were never received. Mr. Kittle was paid in full some time in January. Mr. Hopkins came back from Texas, and, finding that his reports had not been received, made out a

written statement as near as he could remember. Mr. Cox's report was brought up, and a complete investigation, as far as we could make it by correspondence and examination, was had, and then Hopkins and I make up a case against Mr. Kittle. We went back to the time of the increase of service, (about two years, I think; may be longer,) and from that time until 31st March we made up a case so as to deduct him \$26,000. This case was made up on the verbatim statement of Mr. Hopkins. The evidence on file in the Department showed that Mr. Kittle had performed his service, with the exception of the ordinary failures which will happen in bad weather. Cox's report also showed that service was properly performed, but that was thrown to one side, and the case was made on Hopkins's verbatim statement.

Q. The fines and deductions amounted to \$26,000?—A. Yes, sir.

Q. How many of those fines were remitted?—A. The original case of \$26,000, which we had made up against Kittle, was abandoned, and a new case was made up covering a short period of time. The fines and deductions amounted to \$1,900.

Q. What were the relations between French and Kittle?—A. Prior to the first of the year their relations seemed to be very friendly—up till about January 1, 1875. I know of Mr. Kittle making Mr. French a present of a handsome singing-bird and cage, and I also know that he insured his life with Mr. French for \$10,000, two sums of \$5,000 each.

Q. What room did Floyd have charge of?—A. He had charge of the contract books of Texas and Louisiana.

Q. Do you remember whether Channell was transferred to Floyd's room?—A. Yes. I remember that Channell was what we called a miscellaneous clerk, put on wherever there was a press of work.

Q. Do you remember the fact that he was actually transferred to Floyd's room, when the bids were about to be opened?—A. He was working there, but as to whether he was actually transferred to Floyd's room, I think not. I think he was placed along with Colt and King in the opening of the Texas bids.

Q. After Colt had been transferred to the Texas room?—A. After the bids had been transferred to Colt's room. Floyd retained possession of the Texas desk until dismissed, but bids were transferred to Colt's room. Channell was in there with King and Colt and some other clerk, indorsing the bids.

Q. What connection had Kittle, if any, in the displacement of the Galveston postmaster, Mr. Clarke?—A. An attempt was made, before the resignation of General Clarke, to put in a man of the name of Hall in the office of postmaster at Galveston. A man by the name of Petherbridge was sent to Galveston for some particular purpose, I believe to investigate some charges which had been made. After he went Kittle went from this city to Texas, and went to Austin to consult with the son of Senator Flanagan, to try to get Hall put in as postmaster. It was understood that Petherbridge was to receive \$500 for giving Clarke particular fits, and if Hall was appointed Kittle was to receive \$500. Hall was appointed, and is now in jail charged with the defalcation of \$10,000.

Q. Did Petherbridge make a report?—A. He made a report which caused the resignation or removal of Clarke.

Q. Were charges made against Petherbridge?—A. I understand there were investigations, but they were hushed up.

Q. And Petherbridge was retained?—A. Yes, at \$1,600 a year.

Mr. STOWELL. Is he still retained?

WITNESS. Yes, sir.

Q. Did you know, while you were in the Department, an agent who was there for a while, by name of McLean?—A. Yes, sir; he was a clerk.

Q. Do you know his first name?—A. No, sir. He was a clerk in the finance office.

Q. How long was he in the Department?—A. For a short time. He was employed as an electioneering agent for a short time in Connecticut. He went to Connecticut before the election.

Q. Where was he from?—A. Arkansas.

Q. He was in the employ of the Government during the Connecticut election?—A. During the time he was stumping he was on the rolls.

Q. What year was that?—A. I think 1875. It was after Mr. Jewell was Postmaster-General.

Q. Do you know through whose influence he was employed in the Department?—A. By connecting various circumstances, I am led to suppose that this same particular Kittle had something to do with that, but I may be wrong. I remember perfectly well seeing a telegram from the chairman of the executive committee of the State of Connecticut, notifying Mr. Kittle that, on the recommendation of Mr. McLean, they drew on him for \$250 for electioneering purposes in Connecticut.

Q. Who was the telegram to?—A. To Kittle.

Mr. STOWELL. Who showed you the telegram?

The WITNESS. I was going to explain that. About the time that this election was taking place, we were working very busily after Kittle. He came down several times to see me, to inquire about his case. He made use of the expression that he thought

it was damned mean that he should be followed up so close when he had been doing such good work for the republican party—that he had in the course of time expended in Texas and California from \$3,000 to \$10,000 for the benefit of the republican party. He made so many statements in regard to what he had been doing that I very quietly put myself in communication with parties—secret agents in Texas—and I tracked Kittle, and found that the statement which he had made that he had been the cause of martial law being declared in four counties—Navarro, Freestone, Limestone, and McLean—so as to have their representative elected, and being the cause of the death of four or five men in those counties, was actually a fact. The fellow had actually caused the death of four men in order that this martial law might be declared.

Mr. CANNON. You tracked him with secret-service agents? A. Not exactly. I was an old secret-service man during the war. I know persons in Texas who had been employed in the same way, and we have always kept up the organization. They were engaged in business there; I here; and, if I wanted to find the status of a man, it was easy to do so by opening communication with my former comrades. Mr. Clarke was elected; I believe, to represent these counties.

By Mr. McMAHON:

Q. The name of this man that we are speaking about was on the pay-roll of the Post-Office Department as a finance clerk, and he was at that time making speeches through Connecticut?—A. Yes, sir; he was borne on the pay-rolls, as I understand it, as a temporary clerk; a \$1,200 clerk, if I remember rightly, and was supposed to be in the finance department—I think in the steamboat division.

Q. Did Kittle, at the time he was talking about this draft for the Connecticut election, say anything more about it?—A. He simply said that he had paid the draft, and that, as I understood, he had submitted the draft or shown it to the Postmaster-General; that the Postmaster-General was aware that he had subscribed.

By Mr. STOWELL:

Q. Which Postmaster-General?—A. Jewell.

Q. And he showed you the telegram?—A. Yes, sir; he showed me the telegram. He came in and was making inquiries in relation to the settlement of his accounts, and on some few cases which we had worked up we gave him a little synopsis of the amount of fines that were being imposed on him. Under the law, the Postmaster-General is allowed to increase the penalty on a failing contractor, a man who does not perform his service, to three times the price of a trip where the trip is not performed, and there is no sufficient excuse rendered; and in some cases, where I found from very close examination that no attempt had been made to perform the service, in making up the case, I had not only made the deduction *pro rata*, so much per trip, but I had added to that a fine of three times the price of a trip.

Q. Did you do that in that Kittle case amounting to \$26,000?—A. Yes, sir. It would have brought it up to more than \$26,000 if we had carried that all the way through.

Q. There was a portion of that case where you charged three times the price of a trip as the penalty?—A. Yes, sir; where a service was not performed, and there was no sufficient excuse that it had been attempted to be performed.

By Mr. McMAHON:

Q. You did that because you were satisfied that it was a fraud on the Government?—A. I was perfectly satisfied in my own mind that that man had been undertaking to defraud the Government by receiving pay for service he never had performed.

Q. And corrupting the officials of the Post-Office Department?—A. Yes, sir; that was developed afterward by his own statement. Mr. Kittle was very free and frank in his statement of what he had been doing, and, as a matter of course, before these developments came out, on my first taking charge of the desk, not knowing anything of the man at all, I saw on the very face of the registers, and the evidence that came in—and learning, also, through Mr. Mills and the affidavits of other parties—I saw there was a big leak there, and I was in duty bound to go for him.

Q. And so you put on the full force of the law?—A. I put on to him just as close as I could, and keep within the limits of the law.

Q. What was finally deducted from him?—A. Nineteen hundred dollars, I believe. I had a simple duty to perform. I had no feeling against Mr. Kittle, and did not know him. My oath that I took on entering the Department required me to enforce the full penalty of the law, and it was for my superiors, after I had made the case up and given the brief fully and explicitly—it was for them, then, to decide whether they would support me in those fines or otherwise.

Q. Did you usually put on the full penalty?—A. Well, that used to be my reputation; they used to say that my hand was pretty heavy in fining contractors; that was the grand ground of complaint.

Q. Did you ever do it in any other case?—A. Yes, indeed.

Q. State whether Mr. Hopkins agreed with you fully in making up those fines on the Kittle route.—A. Mr. Hopkins and I agreed. We each took one case, and when one

was finished by him it was handed to me, and when mine was finished it was handed to him, and in no case was there a difference of one mill according to the strict letter of the law; we agreed on the distance traveled for which he should be paid. Under the rulings of a former Postmaster-General, and I believe it has now become a law, the distance actually run by a contractor on his route should be paid for; that is, if a route is 50 miles long and the contractor runs 20 miles, we pay him for that 20 miles and deduct the pay *pro rata* for the 30 miles; giving him that advantage of not increasing the penalty; because from the fact of his attempting to perform the service, shows that it was not a willful and fraudulent failure on his part. That is the practice of the Department, and it has been incorporated in the instructions to postmasters on this blank, that if the whole trip, in any instance, is not performed, "report what service was performed; the distance actually run;" and it is impressed on their minds to be careful about this, so as not to commit an injustice on the contractor. Still further, the postmaster is required by these instructions to enter every arrival and departure, that is, not to leave any of these places blank, because if they were left so, coming into the hands of a clerk, and showing no arrival or departure, that might be put down as a failure, and thus work injustice.

By Mr. STOWELL:

Q. But when a contractor fails entirely, you fine him three times the amount of his pay?—A. Not always. Where there is a failure shown to have been caused by the elements, by bad weather, for instance, we do not; but where it was willful negligence, we salt him.

Q. You take off his pay and fine him three times the price besides?—A. Yes, sir; that is the general rule and practice of the office.

Adjourned.

COMMITTEE ON THE POST-OFFICE AND POST-ROADS,
February 15, 1876.

EDWARD F. O'BRIEN recalled and further examined.

The WITNESS. I want to make a correction in my testimony of this morning. I got the number of the routes mixed. 8117 is the number of the route between New Orleans and Red River Landing. 8006 is from Vicksburgh to New Orleans. Mr. Peterson was paid for carrying the mail on 8117, which was never performed by him, he not being a steamboat-owner or master of a steamboat. He received the pay of \$5,775 for performing a service which he never did perform, only by going to the post-office and getting the bag and taking it down to the steamboat—the first one that was going that way. I also would ask permission to show what I mean by "evidence" and "certificate." I have the papers right here, so that they can easily be understood.

(Papers submitted as follows:)

(No. 1.)

POST-OFFICE DEPARTMENT,
OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL,
Inspection Division, ———, 187—.

To the Auditor of the Treasury for the Post-Office Department:

SIR: All reports to your Office of fines and deductions for the quarter ending ———, 187—, on route ——— have been made, so far as returns from the post-offices have been received; and it is now presumed that they have been fully rendered for said quarter.

Very respectfully, your obedient servant,

Second Assistant Postmaster-General.

☞ Trips per week ———.

☞ Fill all the blanks of this heading.

Register of arrivals and departures for the month of ———, 187—. Post-office at ———, county of ———, State of ———.

Route No. ———, from ——— to ———. Contract time of arrival ———. Contract time of departure ———. Name of contractor ———. Name of carrier ———. Mode of conveyance ———.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
.....	1	.....	.....	.....	17	.....	.....
.....	2	.....	.....	.....	18	.....	.....
.....	3	.....	.....	.....	19	.....	.....
.....	4	.....	.....	.....	20	.....	.....
.....	5	.....	.....	.....	21	.....	.....
.....	6	.....	.....	.....	22	.....	.....
.....	7	.....	.....	.....	23	.....	.....
.....	8	.....	.....	.....	24	.....	.....
.....	9	.....	.....	.....	25	.....	.....
.....	10	.....	.....	.....	26	.....	.....
.....	11	.....	.....	.....	27	.....	.....
.....	12	.....	.....	.....	28	.....	.....
.....	13	.....	.....	.....	29	.....	.....
.....	14	.....	.....	.....	30	.....	.....
.....	15	.....	.....	.....	31	.....	.....
.....	16	.....	.....	.....	.....	.....	.....

Report specially dates and causes of failures on next page.

 See over for instructions.

Certified to be correct by ——— ———, P. M.

INSTRUCTIONS.

(This page is for failures only.)

At the close of each month forward registers promptly, directed to contract-office, inspection division, P. O. Dept.. Never inclose them in quarterly returns. This duty of forwarding registers promptly is a very important one, and its neglect is a positive detriment to the mail-service and injury to contractors, who cannot be paid until the registers have been forwarded and received. When register blanks are needed apply to the above-named office.

Enter on the face of this register the day of the week, of month, and hour of each arrival and departure, and when a failure occurs, simply give the date, entering the particulars of the failure, date, nature, cause, and any other particulars of it, on this page.

Never omit to enter an arrival or departure, otherwise the blank space left opposite the schedule-day may be considered as a failure, and thereby work unintentional injury to the contractor.

If the whole trip, in any instance, is not performed, report what service was performed, the distance actually run. Be careful about this.

Make out and keep on file in your office an exact copy of each register sent to the Department.

Be careful to give the right number of the route.

Postmasters failing or refusing to report service when required, although it may previously have been sent, will be reported to the appointment-office, P. O. Dept., for neglect of duty. This register-blank is the only form of register now used.

[illegible]

By the CHAIRMAN :

By Mr. LUTTRELL:

Q. Without awaiting the certified report?—A. Without waiting for the report.

By the CHAIRMAN :

Q. Can you state whether that was usually done with Peterson and his contract?—

A. Well, they did not take so much trouble as to telegraph. Peterson got it without any telegraphing.

Q. I understand you, then, that his certificates were made up without any evidence that the service had been performed?—A. That was never done but once to my knowledge, and that was a case of my own making up. When I took charge of that section, that was the first day's work that I performed there. We had a very hard fight to get his money after he had charge of it; I believe he has not got all of it yet.

Q. Did you object to making out those certificates in that way?—A. I did, sir. I objected by going to the chief of the division and telling him that in consequence of there being no evidence on file in the Department to show that the services had been performed, I objected in toto to giving Mr. Peterson or any other contractors a certificate of service by which they could get their pay; basing my objection on the fact that I had nothing on my books that would clear me from being charged with a dereliction of duty, or with carelessness, and that having been a disbursing-officer for the Government before, in paying out, or issuing a certificate for the payment of, money, I wanted to have some voucher.

Q. Did you make that report to him verbally or in writing?—A. I went to him in person. I also spoke to Mr. Woodward about the same thing, and he told me that Peterson would not get his pay.

Q. Was that the conversation in which he stated to you that he knew enough to annul all Peterson's contracts?—A. Yes, sir.

Q. When you spoke to him, then, about your objecting to making out those certificates he told you that he knew enough about Peterson to annul all his contracts?—A. Yes, sir; I cannot give you the exact words, but the idea conveyed to my mind was that he had in his hands sufficient evidence to cause Peterson's contracts to be annulled, and to have him punished for defrauding the Government.

Q. Do you know of Mr. French giving an order in regard to any one else's contract, similar to the order you received in the Peterson case, to make out the certificates when the proper evidence was not in?—A. Yes, sir; it was frequently done, but I cannot specify exactly the routes. For instance, somebody in connection with some route would go into the office and apply for a settlement of the account, and a slip of paper would come down with an order to certify to such and such numbers. The certificate would be sent up; sometimes "cases" would be made up. It used to be the practice of most of the contractors, if they happened to be in the city on the first day of the month, to call and get their pay as quickly as they possibly could. In one case (I speak now of my personal knowledge) a contractor (but that was a large corporation, the Baltimore and Ohio Railroad Company, so that there was no danger in it) was paid on the very last day of the quarter, without waiting for the collection of orders to come in. That was put a stop to, though.

Q. You speak of the telegram from Senator West in regard to Peterson's pay being placed on your desk; had the pay been withheld, or were these fines and deductions made out against him at that time?—A. No, sir; we were working up the case at that time, and we held that pay of Peterson's subject to the fines and deductions; but we held it by making the statement that we had not received the evidence.

Q. While that pay was being held up that telegram was received from Senator West in regard to the Peterson contracts?—A. In regard to the payment for services claimed to have been performed.

Q. Did Senator West appear personally in the Department in regard to that?—A. Of my own personal knowledge, I cannot say that he did. I heard that he was there; the papers were called for from my room, and it was stated that Senator West was there—I mean the papers on which we were working and basing our case, the letters of the postmasters and the usual correspondence. The papers were taken by Mr. Lake to somewhere; I don't know where.

Q. Is that the last you have ever seen of them?—A. No; those papers were returned. That was before the case was made up.

Q. Was it Mr. Lake who told you that Senator West wanted the papers?—A. He said that Senator West was there.

Q. Can you remember how long it was before the order came for you to make out the certificate, that the papers were sent up?—A. The order was prior to the making up of the case. My statement, if you will remember, was that the first day's work that I did when I took charge of that desk was to certify the Peterson routes for the quarter ending December 31st. It was for the quarter ending March 31st that this telegram from Senator West came; it was in relation to the suspended pay for the March quarter. The fight on Peterson did not commence until after the month of February; it was some time in February that we commenced on his case.

Q. Have you heard any conversation in the Post-Office Department, between the officers of the Department, in regard to these Peterson contracts—anything more than

you have related?—A. Not among the officers. Among the clerks there has been an interchange of views, as a matter of course.

Q. Is there a general impression and knowledge among the clerks of the Department in regard to Peterson?—A. Yes, sir. He was looked upon as being an unmitigated fraud; that was the general impression.

Q. What produced that impression?—A. Really, I cannot tell you. It seemed to be a general impression, and has been for years one of those peculiar things that get around in the Department, the impression that such and such a party is a big rascal, and where it comes from no one can tell.

Q. Did you speak among the clerks about this order that you had received?—A. O, yes; it was a common topic of conversation among the inspection-clerks. There were but twelve of us in the division, and there used to be an interchange of views very often among the clerks in regard to the certifying of service without sufficient evidence. We used to complain greatly of the feeling of friendship shown for one class of men, while an unfortunate contractor, who was living off some distance and too poor to employ an attorney here, would not get his pay until the next quarter was due.

Q. At what time were you asked by the Postmaster-General to resign?—A. October 25, 1875, is the date of my letter. On that day, at noon, I was asked by Mr. Tyner to resign, he stating that the Postmaster-General had been endeavoring for some time past to transfer me to some other portion of the Department, but that, failing to find a proper position for me, he requested my resignation, which I declined to give. I went at once to my room and wrote a letter to the Postmaster-General, and handed it to him in person. The next day he sent for me, and on the 28th day of October, by the advice of Senator Patterson, a friend of mine of many years' standing, I handed my resignation to the Postmaster-General, and on the same day, in the afternoon, my resignation was accepted, and leave of absence given me until the 1st of December, 1875, with pay.

Q. Did you have any personal conversation with the Postmaster-General at the time you handed him the letter?—A. Yes, sir; he said that he had received my letter, and was rather astonished because he had not asked for my resignation.

Q. He said that he had not asked for it?—A. That was the statement.

Q. Is that letter which you have there, the letter which you allude to?—A. Yes, sir.

Q. Read it.

The WITNESS : (Reading.)

POST-OFFICE DEPARTMENT,
OFFICE SECOND ASSISTANT POSTMASTER-GENERAL, INSPECTION DIVISION,
October 25, 1875.

SIR: To-day at noon I was informed by the Second Assistant Postmaster-General that you had, for some time past, been endeavoring to transfer me to some other portion of the Department, but being unable to find a place for me, had directed him to inform me that my resignation would be accepted at any time. I most respectfully decline to resign the position I have held in this Department nearly seven years, and which was bestowed on me for faithful and meritorious service during the war of the rebellion, and which I consider I fairly earned. I prefer a dismissal, in order that I may carry my case to the Executive of the nation, and demand an investigation, the same as I would get were I still in the Army.

Respectfully,

EDW. F. O'BRIEN.

By the CHAIRMAN :

Q. And the Postmaster-General, you say, stated to you that he was surprised at the letter, and asked you to withdraw it, stating that he had not asked for your resignation?—A. Yes, sir.

By Mr. MILLER :

Q. You received an answer to your letter of resignation, did you not?—A. At 2 o'clock I received this letter :

POST-OFFICE DEPARTMENT, October 28, 1875.

Your letter of this date, tendering your resignation as a third-class clerk in the contract-office of this Department, has been received, and is hereby accepted, to take effect on and after the 1st day of December, 1875, to which time you will be granted a leave of absence.

Very respectfully,

J. W. MARSHALL,
First Assistant Postmaster General.

EDW'D F. O'BRIEN, Esq.,
Present.

By the CHAIRMAN:

Q. Was any cause assigned for asking for your resignation?—A. Well, sir, I have never been able to find out why I was asked to resign, only that I either talked too much or knew too much.

Q. Did they give you any reason at the time?—There has been no reason assigned why my resignation was asked for or why it was accepted.

Q. Did the Postmaster-General give no reason, or did the Second Assistant Postmaster-General give you none?—A. He had no right to give any, and I had no right to ask him either.

Q. Have you stated all that occurred between you and the Postmaster-General?—A. No. The Postmaster-General said he had received my letter, and that he did not want to be embarrassed, and as for carrying the case to the Executive of the nation he did not want any investigation; he had not the time to attend to any investigation; that possibly I might have been guilty of some carelessness without criminality, or that I might not have been as efficient as I might have been, and that as the fountain-head of the stream was impure he could not look for a pure stream to run from it, and I quietly asked him if he had any objection to giving me—

Q. What did he mean by the fountain-head?—A. Well, there seems to be an idea, Mr. Chairman, that from the time of the coming of General Creswell, General Smith, and Colonel Routt everything and everybody connected with the Post-Office Department was dishonest, and that all the rascality and crimes committed in the Department were committed by those who were appointed by Mr. Creswell and were in General Smith's bureau.

Q. You supposed him to refer to them when he spoke of the fountain-head?—A. Yes, sir.

Q. Was that all the conversation?—A. Nearly all, as far as I can remember.

Q. Have you been able to gather any information from any source as to why you were asked to resign?—A. Yes, sir. Some time during the spring of 1875 an application was made by Mr. Niblack for the remission of some fines and deductions which were imposed upon a steamboat company running from Evansville, Ind., to Cairo, Ill., and they based the remission of those fines on the fact that they had never been deducted from before for any failure to perform service. Mr. Lake and Mr. Tyner had the evidence of service overhauled and "cases" made up against the company. Mr. Niblack, in communicating to the secretary of the company, made the statement that Mr. Tyner thought that some of the clerks—

By Mr. AINSWORTH:

Q. Was that contained in the letters, or is it a matter which you learned outside?—A. No, sir; this is contained in the letters. I am trying to repeat from memory the contents of the letters. I have the original letter of Mr. Niblack's, in which he says that Mr. Tyner claims that the clerk in charge of that division (meaning me) was tampered with. I also have the correspondence that ensued between the secretary of the company—the testimony of the secretary of the company, which was furnished me, and also a copy of Mr. Niblack's letter where he backs water, (as I had commenced an action against Mr. Tyner,) and says that Mr. Tyner is a very old friend of his, and it is a question of veracity between him and Mr. Tyner, and he does not want anything done in the business. This was in 1875, after Mr. Tyner became Second Assistant Postmaster-General.

Q. Your impression is, then, that that had something to do with the request for your resignation?—A. Nominally, it had something to do with it.

Q. Have you any other impressions about it. Is there any other reason in your mind why you were asked to resign?—A. The nominal reason was, that statement that Mr. Tyner had made, that I had either been criminal in not deducting fines from this company for non-performance of duty, or else had been tampered with or bribed. That was his first ground; the actual fact, without any doubt, in my mind, was because I suspected Mr. Tyner of being handled and manipulated by the celebrated ring-party, Barlow, Sanderson, and the rest of them. It is no secret in the Department; I have openly expressed it. Barlow, Sanderson & Co. are the large western contractors. Of their service I know nothing officially; it was not in my section. They are the mail-contractors in the Western Territories and in California. That ring is made up of Bradley Barlow, of Vermont, Sanderson, C. C. Huntley, and Si. Huntley.

Q. You spoke of this telegram from Senator West in relation to Peterson's pay; do you know of any one else interfering for Peterson, or do you know of other influence that he could bring to bear upon the Department to have his fines remitted?—A. I cannot say that I do of my personal knowledge. As a matter of course, there are lots of rumors and reports, but that is not admissible as evidence. It is stated in conversation, and understood, that Secretary of War Belknap was the great backer. Collector Casey of New Orleans is also a great friend of his; in fact, Mr. Lake once told me that Collector Casey came to the Department in relation to some of Peterson's contracts. He merely stated the fact that the collector of the port of New Orleans had

been there to see something about Peterson's contracts. We were conversing in relation to making up some fines and deductions on Peterson's routes.

Q. Was anything said in that conversation about fines and deductions being remitted?—A. Yes, sir; an attempt was being made to get those fines and deductions remitted. We were discussing the general subject of Peterson's service.

Q. Have you heard of any other instance of Mr. Casey's being in the Department?—A. Mr. Lake had told me, in bringing up these cases of Peterson's, that the cases were being taken in to the Postmaster-General for review, and that I was required to give all the evidence I possibly could in relation to my knowledge of them. At the same time Mr. Woodward and Mr. Hopkins, with Mr. Lake, went over the map with me, and I showed them where the fraud, in my opinion, had been committed. I gave them a general idea of where these lines made connections, and where the fraud had been committed in carrying the mail, or in not carrying it.

Q. You and Mr. Lake and Mr. Woodward were together looking over the maps?—A. Yes, sir; and Mr. Hopkins. We had daily consultations there in relation to it. I also noticed in connection with these cases that they were invariably brought up when Mr. Tyner was absent from the Office. I think Mr. Tyner wanted to push that man, Peterson, through as close as he possibly could. I think he intended to have forced that service right to the wall.

By Mr. LUTTRELL:

Q. Who succeeded Mr. Tyner when he was absent from the Office?—A. Mr. French.

By the CHAIRMAN:

Q. And those cases came up when Mr. Tyner was away?—A. Invariably; I never knew Mr. Tyner to be away that these routes 8117 and 8031 did not come up; nor an instance when something was not done looking to the remission of the fines and deductions on Peterson's contracts.

Q. Was that noticed by any other clerks in the Department?—A. Yes, sir; and talked about.

Q. Whom did you talk with about it?—A. I talked with my room-mate; I had but one.

Q. Was it a subject of conversation with Mr. Woodward or Lake or any of those?—A. No; I made no comment upon it, because I felt perfectly satisfied that if there had been an attempt for remission I should have broken the rules of the Department, and gone right straight to the Postmaster-General and fought it. I had made up my mind that if there ever was an attempt at remission on Peterson, I would be discourteous enough to pass over my superior officers and go direct to the Postmaster-General.

Q. I understood you to say that some one stated to you that it was useless to make up any fines or deductions on Peterson's contracts; who was that?—A. I don't remember. It was an impression that was conveyed to me in some way. I paid so little attention to it that I did not think worth while to mention it, except to Mr. Holbrook. I told him that an impression, or an intimation, had been given me that I had better handle Mr. Peterson very easily, because he was backed by the White House influence, as it was called, and I told him he would have a sweet old time in going gunning for me. It has been the talk right there in the Department, that any man that offended Peterson was doomed; that he had got to go; or, in other words, that Peterson would bring sufficient influence to remove the man.

Q. Was that common talk in the Department?—A. Yes, sir.

Q. You say these cases came up always in Mr. Tyner's absence, when Mr. French was acting as Second Assistant Postmaster-General?—A. Yes, sir.

Q. How were they brought up at that time; by a special order of his?—A. Mr. Lake would generally come down for some papers, or something in relation to them.

Q. What would he say when he came down?—A. He would ask for the papers.

Q. Would he say who wanted to see them?—A. He would say that the Second Assistant Postmaster-General wanted them. I used to be curious enough at times to walk around there to see if the Second Assistant was there.

Q. Did Mr. Lake ever come down to you for the papers when Mr. Tyner was there?—A. Once, I think.

Q. Do you mean the Second Assistant or Acting Second Assistant?—A. He came once for them for the Second Assistant, and I think that was brought about by my conversation one evening with Colonel Knowlton, the chief clerk of the Postmaster-General. I was relating some cases that I had been digging out, that were parallel cases, in Texas, only it happened to be stage-service instead of steamboat-service, cases belonging to Sawyer. I was relating the circumstances of that man's performing three times a week service, and getting six times a week pay for it, and that brought up Peterson's case. I spoke about his receiving pay for service which was not performed. We were then talking about the Sawyer case, and I think the next day the papers in relation to Peterson's case were sent for; I think that came from Colonel Knowlton.

Q. Do you know whether it was more than once that they were sent for when Mr.

French was acting as Second Assistant Postmaster-General?—A. O, I do not know the number of times. His service covered quite a number of routes; he would try first one and then the other.

Q. I mean the papers being sent for by Mr. French, in the absence of Mr. Tyner; did that occur more than once?—A. Yes, sir. I would put it at four times, to my certain knowledge. It would not be the same papers every time; it would be a different route. For instance, there would be No. 8031—that is a very large route; the deduction on that amounted to only \$26.93; on 8067 there was a deduction of \$131.24; on 8117 there was a deduction of \$3,420.70. Those papers traveled backward and forward between the files of my room and the office of the Second Assistant until they got nearly worn out.

Q. Do you know what the result of it was, finally?—A. I believe there has been no result to it yet; it remains there. The Postmaster-General declined to open the case, so far as I understood. From October 28 until the present day I know nothing of the Department; I have not been in it twice since.

Q. Have you any knowledge of Mr. French taking any action or any part in the remission of any fines against Peterson on any other contracts than that and the other one that you mentioned a while ago?

Mr. CANNON. He has not testified to his remitting anything on 8117.

A. I think there have been no remissions, Mr. Chairman, since I had charge of that section, so far as regards Peterson—not during my occupancy of that desk. The attempt has been made, and it has been brought before the Postmaster-General once or twice.

Q. In the consultations between you and Mr. Woodward and Mr. Hopkins, in making this investigation, you had no evidence, and came to no conclusion, about the backing of Peterson in the Department?—A. Well, I do not know that I can recall anything more than the idea that we had, that Mr. French was his great friend and that there was a good deal of influence from the other end of the avenue in his behalf. It is only an impression.

Q. How did you get the idea that Mr. French was his great friend?—A. He seemed to take an immense amount of interest in Peterson's affairs, and was an associate of his.

Q. Did he take more interest than he did in any other contractor's affairs?—A. Yes, sir; more especially during that time. Afterward other contractors were brought more into notice, like Kernes and Roots; he seemed to take a good deal of interest in them.

Q. Do you know any improper influence of any kind that Peterson exercised over Mr. French?—A. No, sir; I heard that he had presented him with a very nice silver service, made him several very handsome presents, &c.

Q. Whom did you hear that from?—A. From French's brother-in-law, Channell.

Q. Channell was in his office at the time, was he not?—A. Yes; he lived in the house with him.

Q. He lives in the house with him now?—A. No; he is somewhere in Colorado now.

Q. Did you ever hear of any other thing between them?—A. No; nothing that would connect him with being guilty of being tampered with or bribed. It might be possible that the interest he took was merely an interest in seeing a man's service put through.

Q. Do you know anything about his having the insurance office in the Department there?—A. O, yes; I knew that he insured a great many persons. He did not insure me; I was asked a good many times.

Q. Tell us what you know about that matter.—A. What I tell you is not from personal knowledge, but it is from hearsay; the talk of contractors and others with whom I have been brought in contact. I do not know that the evidence I could give would be actually legally admissible, because it is hearsay evidence.

Q. Go on; but you may state what your means of knowledge are.

Mr. CANNON suggested that the witness should be asked to state the names of the persons who *did* know.

Q. Tell us all about that insurance business. Did he keep an office there in which he insured contractors?—A. Of my personal knowledge of one contractor, I can say yes; for I saw him pay money to French for his premium. That contractor was T. J. Chidester, of Little Rock, Ark. Mr. Sawyer, when living, told me that he was insured with Mr. French.

By Mr. McMAHON:

Q. State the amounts, if you know.—A. I do not know. J. J. Hinds was another contractor. I know of several clerks who were insured, one in particular of the name of Beall. He was a clerk in the contract-office. J. O. P. Burnside, now superintendent of the Post-Office building, was insured by French.

Q. Did you ever hear Mr. French say anything himself about that insurance company?—A. Yes, sir; he has spoken to me several times about insurance.

Q. How did Sawyer or Hinds happen to tell you that they had insured with Mr.

French?—A. In the ordinary way of conversation. The way that Sawyer came to tell me was by his picking up a life-insurance memorandum that was thrown in on my desk. He looked at it for a moment and said, "I am insured with French. My life is insured (for some sum that I do not remember) with French." And it was the same way with Hinds.

Q. Did you ever hear Mr. Woodward speak anything about Mr. French's insuring any one in the Department?—A. No, sir; I never had any conversation with Mr. Woodward about it.

Q. Did you ever have any conversation with Mr. Sickles, who is now in the contract-office, about those Peterson contracts?—A. Yes, sir.

Q. What conversation did you have with him?—A. Really I cannot remember anything about it, because it has been continually since I took charge of that section.

Q. If you remember something about it, I would like to have you state it.—A. It is all summed up in a very few words, that the whole thing was a fraud, and to watch him very closely.

Q. You mean that Sickles told you that?—A. Sickles told me to pay particular attention to Peterson's service; that he was a most infernal fraud, and to watch him very closely, and catch him if I could.

Q. What position did Mr. Sickles occupy in the Department at that time?—A. He occupied the same desk that he now has, as contract-clerk. I took the desk when Sickles was removed from it.

Q. He was familiar, then, with that particular department?—A. Yes, sir; my service covered but a few months, whereas his service covered years.

Q. He is still in the Department in the contract-office?—A. Yes, sir.

Q. Did Mr. Sickles call your attention to any particular instance?—A. He called my attention, after the papers came into my hands, to this service. If your map here was a little larger I could show you the service on it so that you could understand it in an instant. It was route 8117.

Q. What did he say about it to you?—A. In speaking of this service being performed on 8117, he called attention to the fact of these mails being carried from New Orleans to Vicksburgh, and also from New Orleans to Red River Landing, by the same line of steamers, and this man receiving pay for doing nothing.

Q. Did he tell you that he had ever done anything to bring that to the attention of the Department and try to have it corrected?—A. I do not remember that he ever told me that.

Q. There has been a good deal said about a "ring" of contractors that are about Washington; what do you know about that ring?—A. Simply nothing, at the present time.

By Mr. McMAHON:

Q. What do you mean by saying "at the present time?"—A. Well, the thing is past; there have been a great many changes since that time in the Department.

Q. What did you know when you were in the Department?—A. The only thing that I knew about it was seeing the fact of their service being increased and their receiving a great many favors at the hands of the Department that other contractors could not get.

Q. State to the committee who those men were that received special favors from the Department, and by whom they were backed?—A. I can give you the names of the big ring, as we call it; it was called the Barlow, or, rather, the Huntley ring. It was made up of Huntley, Barlow, Sanderson, and those large western contractors. Service was put on where those of us who had been out West knew there was no earthly use for it. Men were getting their pay for carrying the mails where it was known to be a certain fact that there were no post-offices. It was known that evidence was brought to the Department in the shape of telegrams, on which they got their pay; and another thing was, that the contractors would bring this evidence themselves and hand it in.

Q. It would not come to the Department in due course of mail?—A. It would not come in course of mail; if it had, it would never have reached there.

Q. Do I understand you to say that those men brought this evidence in person, and that the Department received it?—A. I have had registers like that [indicating a form] filled up, when I knew as well as I knew that the sun was shining that they were manufactured in Washington and handed in here.

Q. And payment was made in those cases?—A. Most decidedly. They would be brought in and thrown into the mail-box. We generally know how long it takes for a letter to come a certain distance; and another point is that, on holding a letter up to the light, you can generally detect some trace of the office-stamp on the postage-stamp, and I have held those registers up to the light to find some trace of that, and there was none. I have taken a register out that has been put in the box as having come by mail, all the way from Texas, and the ink was hardly dry on the register; it was supposed to have come from Texas; leaving there on the first mail after the last day of the month, and reaching here on the third of the next month.

Q. You give those reasons, then, why you knew that evidence was fraudulent, and had not come through the proper sources?—A. I could not come to any other conclusion, sir.

Q. Were those papers never questioned?—A. I have questioned them, and I have been asked to compare them with the other registers, and there they were.

Q. Did you report about them?—A. Yes, sir; I have called the attention of the chief of the division to them a dozen times.

Q. What effect did calling his attention to them have?—A. Not the slightest.

Q. When you reported to him about it, what did he say?—A. He said I must be very careful in accepting evidence; that if I was not satisfied with the evidence, I should return it.

Q. Return it where?—A. To the post-office whence it came.

Q. Did you return it to the post-office?—A. Yes, sir, and that was the last of it; I never got either the original or a duplicate back.

Q. It was the instruction of the chief of the division, then, that you should return it to the post-office whence it came, and you did so, and that was the last you saw of it?—A. Yes, sir; that was the last I heard of it.

By Mr. AINSWORTH:

Q. Were those registers which you received in that way, purporting to come from distant offices, dated?—A. They were dated up for the month; that is all you can put on them. If you examine the blank, you will see how a register could be made up on the first day of the month, and kept to the last day, and then handed in; or they could be made up two or three months in advance.

Mr. CANNON. That is, if people committed forgeries.

The WITNESS. That is, if people chose to go "crooked" on it. I have once in a while found where a package of registers would come in, and, accidentally, there would be one that was signed by the postmaster in blank, showing that it was an old game, and they had got a little careless about it, and in gathering up a bunch of registers they had happened to put in a "crooked" one, one filled up in blank.

Q. Can you tell any other reason why you know those men to be ring-men?—A. No; from my personal knowledge I cannot; nothing except that it seemed to be the general impression round about the office that they could get more favors from the Department than anybody else. There was a distinction made in their favor, by which they could get their pay quicker than a small contractor; and in conversation with the chief of the pay division of the Auditor's office, he called my attention to the fact that for a long time there had been no fines or deductions made on a great many western routes that were being run by Barlow, Sanderson & Co. The gentleman who called my attention to that was A. L. Boone, who was then chief of the pay division; he is living here in Washington.

Q. Why did he call your attention to that?—A. We were speaking of the delay in the pay of some smaller contractors who had been writing about their pay.

Q. Was he showing you the difference between large and small contractors in that respect?—A. There was no occasion for that, because I knew it. I knew that under the arrangement of the pay department, in settling up the accounts of small contractors, a large contractor could get his warrant here in the city, drawn on the Treasury of the United States, while a poor contractor, living perhaps 250 miles from a disbursing-office, a man in Tennessee or in that section, would have to send to Saint Louis for his little bit of a draft or warrant. Another thing I knew was, that these large contractors were not furnished, as the law required they should be, with collection-orders, so as to collect their pay; or, if they were, their collection-orders were carried over until the next quarter.

Q. Explain to the committee what a collection-order is.—A. Under the post-office law, at the end of each quarter, every contractor is supposed to collect the amount of funds due the Government from each post-office on his route, and at the end of each quarter collection-orders in duplicate are sent out, accompanied by what is called an "acknowledgment." After the end of the quarter, the contractor presents to each postmaster this collection-order, takes what money the postmaster has, and then forwards his acknowledgment to the Department. On the receipt of that, the account is made up, and he is paid the balance due him. Some of them overdraw their account, get a great deal more money than they are entitled to; they go to a large office and collect all there is in the office, which may be more than is due to them.

Q. Did not those large contractors draw their pay before these collection-orders were returned?—A. I understand that they did. They must certainly have drawn their pay before the collection-orders were returned, because I have known them to be paid on the second day of the month after the end of the quarter, when it was utterly impossible to get even the telegraphic acknowledgment from the various offices scattered along through Oregon and California.

Q. Can you call to mind what routes those were, and where situated; whether they were remote from railroads and telegraphs?—A. They were certainly remote from rail-

roads, because they were stage companies starting from Cheyenne and Omaha, and running clear up to Portland, and along in that direction.

Q. Then you think it would be impossible for those orders to be returned by the time at which they were paid here?—A. You can estimate the distance coming from Cheyenne to New York, and from New York on to Washington, the time of the delivering and the opening, and the assorting of the mail; it would cover not less than eight days.

Q. And you have known them to be paid within two days?—A. I have seen the warrants in the hands of Bradley Barlow on the second day of the month.

Q. They were due, if the collection-orders had been returned, when?—A. Sixty days after the end of the quarter, or when the orders were returned.

Q. If the orders were near enough to be returned very early, they would be due when they were returned, if it was but one day after the close of the quarter?—A. Yes, sir, one day after the close, providing the proper evidence was in; there is a clause in the contract which specifies the months that the contractors shall be paid; for instance, in February, they shall be paid for the December quarter, giving the Department full sixty days after the end of each quarter in which to close up and settle the accounts. That is, provided there is no delinquency on the part of postmasters, in neglecting to forward the proper evidence, or giving us a chance to work up thoroughly the case of a defaulting contractor, who has not performed his service.

Q. You spoke a while ago of routes on which there were no post-offices, and I understood you to say that they were paid for.—A. You can take the map of the western country, and you will see a mail-line passing from one point to another; for instance, before the extension of the line of railroad, on the mail-line that used to run from Saint Louis to Salt Lake City, there are two hundred and ten miles of alkali plain to cross, where there was not even a sage-bush to look at, let alone a post-office. Taking it through Oregon, leading from the Dalles, and along up to Vancouver, and to Washington Territory, there are many miles of country that nothing could live in, not even a coyote, and yet there is a mail-line run there on what is known as the buffalo-trail. There was one thing that I omitted in speaking about Peterson's contracts, showing you the difference between the cost of the service on routes supposed to be about the same length: New Orleans to Red River Landing, two hundred and ten miles, three times a week; for that he received \$5,775 a year. That is route 8117. On 7595, from White River to Vicksburgh, two hundred and twenty-nine miles, three times a week service, he got \$27,000, a difference of 19 miles and of \$22,000 annually.

Adjourned.

WASHINGTON, D. C., *February 16, 1876.*

EDWARD F. O'BRIEN recalled and further examined.

By Mr. AINSWORTH:

Question. Did you make any investigation with reference to those reports which were filed, to ascertain whether the service had been performed upon those routes or whether they were true?—Answer. Yes, sir; the investigation is made from a circular in the inspection-office, No. 6—I think that is the number—it is a printed circular sent to each postmaster. On a portion of the circular comes the inquiry of the Second Assistant Postmaster-General: "Has service been properly performed from such a time to such a time?" on the above route. The dates are filled in, of course, and underneath the request is made to give all information by which we can understand in the Department whether there has been any failure or whether the service has been properly performed clear through. On the same page, on the opposite and right-hand side, is the answer of the postmaster to whom the circular is sent.

Q. What was the result of the investigation regarding those registers to which you referred in your former testimony, filed previous to the proper time?—A. Well, it seems, as far as my memory serves me, that in the majority of cases the postmasters reported service had been properly performed, with the exception of some minor failures. In some cases there was a detailed report of the failures when the postmasters had taken the trouble to write out a full statement, and in some cases duplicate registers were also sent. I had occasion to complain to the Postmaster-General, and first, to the chief special agent, Mr. Woodward, in relation to a quantity of registers I found coming in from Texas. The appearance of the registers showed that they were made before the proper time, and it seemed to me as if some of the registers that came in were not what you would call official; that they had been signed by a postmaster and bore the appearance of having been made in this city. I called the attention of Mr. Woodward to that, and also I put those registers in the hands of Colonel Knowlton, the chief clerk. I had one interview with the Postmaster General. Action would have been taken on it by Mr. Jewell had it not been for the discovery and the breaking up of the Kittle and Hinds frauds. Everything else was laid to one side and remained in abeyance, and there was absolutely no opportunity to thoroughly investigate these

registers, as to their authenticity. I believe it was the intention of Mr. Jewell to have had those registers put into the hands of a special agent, and the agent sent to Texas, so that he could have examined each postmaster whose name we supposed was false. I speak now more in reference to the registers that Sawyer used to bring in. There was one thing in the Department that was very apt to mislead a clerk in regard to registers, for this reason, that the room in which these registers were assorted and delivered was always open, and it was the easiest thing in the world for a man to make out a file of registers and step into a room and throw them into a mail-box. The boxes were arranged so that they were open, and anybody could throw in anything of that kind into the regular box. There seems to be no check in the Department on the receipt of these things; they are never stamped; they are just merely distributed and each clerk checks his own registers, assorting them out, and those that bear the appearance of being all right are entered and filed away.

Q. Did you ascertain, by inquiry, any cases in which registers had been filed before the time when they should have been filed, that fines or deductions should have been made?—A. I don't remember at the present time. There may have been. I know that on a good many routes I have held up the pay because I was not satisfied with the evidence that came in. I had an impression on my mind that the registers were manufactured in the city of Washington, and I *accidentally* dropped them—wouldn't accept them.

Mr. STOWELL. Accidentally dropped them?—A. That is, until I became satisfied that the evidence was perfect by a circular of inquiry. I would put those registers along with the papers awaiting action; that is, I wouldn't file them with the other papers entitling a man to get his pay, but would hold on to them until I became satisfied that service had been properly performed. That is the rule or practice of the office. When a clerk gets hold of any evidence that he doesn't think satisfactory, the register is folded and filed away with the retained papers, until he becomes satisfied by a circular of inquiry that service has been performed.

By Mr. AINSWORTH:

Q. Did you in any case issue certificates that the contractors were entitled to pay without the required proof being on file unless instructed so to do by Mr. French?—A. No, sir. It used to be during the administration of General Smith and also of Colonel Routt, that where we got two months' evidence from each end of the route, we would certify on that, and sometimes we would certify on three months' evidence from one end; but that was always done on an order. The contractor would come in and make an application for his pay and reference would be made to the books at once to see what evidence we had. It used to be considered *prima-facie* evidence when the head of the route had reported. I do not remember, with the exception of Kittle's routes, that it was ever discovered that the service had not been performed. There might have been some minor failures, that is, failures to arrive on a certain time or schedule-day, but deduction would be made for that on the next quarter.

Mr. STOWELL. What year is this you speak of?—A. I am taking the whole term of five years. I could not come right down to the date.

Q. Did I understand you to say that the whole term of five years they paid a quarter's salary on two months' vouchers?—A. O, no. I say in some cases that where the contractor came in and the evidence was not in full, that pay would be given. Where there would be a register for the months of April and May, for instance, we would pay on the full quarter without having the evidence for June.

Q. Did that extend over five years?—A. I suppose I did it during the five years, a hundred times with various contractors. It might possibly run two or three or four weeks after the end of the quarter, and the contractor would then come in on the evidence from such and such offices for two months, with one month's evidence lacking. There might be an omission and loss of register in the mails, or something of the kind, which evidence would not reach us. Then we would notify or write to the postmaster for the evidence and certify, so that the contractor could get his pay.

Q. For what contractors were you directed by Mr. French to certify without the required proof of service?—A. The full proof of service ought to be put in, because we never certified unless we had evidence from one office on the route. Sometimes it was necessary for us also to send to every intermediate office on the route, so that we might find out how far the mail had been carried. For instance, in starting from New Orleans on a land route we would find out that the office at one of the termini had not reported—that we could get no reports from him. We would then take from the list of offices and send a circular to each office inquiring, "Has service been properly performed?" And on evidence from each of those offices we would certify. In the western country that was done more frequently than it was done in the South, for the very reason that many of those offices were kept in country stores, groceries, &c., and the pay was so small that the postmasters would not take the trouble to make out their reports. In many cases where we would write or send a circular it would be returned with an insulting answer. Several times this happened at my desk.

Q. The question that I ask now is in regard to the list of those that you were instructed to certify without proof?—A. In the Texas and Louisiana division I have certified on Sawyer's routes and Peterson's routes; I cannot call to mind any others at present.

Q. You certified them under instructions, you say, from Mr. French?—A. From Mr. French.

Q. Did you, without instructions, certify for service for contractors when proof of the same was not on file?—A. No, sir. I would like to correct that, just for one moment. I have not. I have certified in making up a general certificate at times, where the evidence has been in from one end of the route for three months, and the other end would be for two months, I would certify for the purpose of clearing up the books toward the end of the second quarter, because we felt perfectly safe then on the ground that there was another quarter's pay due, and if there were any fines and deductions, we could take them from that coming quarter. That has been done; I believe it is a general practice of the office to do it.

Q. What evidence of service had Peterson on file at the time you were instructed by Mr. French to give him his certificates of service?—A. I think there was, perhaps, two months' evidence from one end.

Q. What position did Mr. Lake hold in the Department at the time you have spoken of?—A. He was an \$1,800 clerk, called the chief of the inspection division, an office not known to law.

Q. What duty did he perform?—A. He was supposed to have charge of the records of route-agents, mail-messengers, and a general supervision of the work of the clerks in the inspection division. Every letter that was written by a corresponding clerk of the division was taken to his room, examined by him, checked, and carried to the Second Assistant Postmaster-General. Every case that was made up was also carried there. Every certificate that was made up was also carried to him. He had the revision of the cases. After they left our desk they went into his hands and he could forward them or keep them back, just as it pleased him, or make any alterations. For instance, he could either reduce or increase a fine. You might call him a supervising clerk of the entire division.

Q. But do I understand you to say that he was an officer not warranted by law?—A. He was there, and called the principal clerk of the inspection division, which the organization of the Post-Office Department does not show. The organization of the contract-office shows that there is but the head of the bureau, (the Second Assistant Postmaster-General) and his chief clerk; and then the bureau is divided into divisions—that is the contract-division; the inspection-division has no business in the contract-office.

Q. What is the duty of the contract-clerk of the division?—A. The contract-clerk is charged with the books of the Department; the increase or decrease of service; keeping the accounts of the contractors; making an alteration, if required, or a change of the service. The appointment-office makes and discontinues post-offices. They report or send word to the contract-office, and it is necessary then for the contract-clerk to see that the offices remaining undiscontinued are supplied. He takes charge of all side supplies and special supplies, seeing that the service is properly supplied by mail-messenger service; preparing the advertisements for the lettings; and, in fact, it is the general duty of the contract-clerk to see that each office is furnished with the proper facilities for obtaining its mail either by railroad or steamboat, as the case may be. They prepare the advertisements for every letting, and contracts are entered on their books. All orders affecting contracts are made in the contract-office.

Q. What is the duty of the inspection-clerk?—A. The inspection-clerk is charged with seeing that the service is properly performed by the contractor; he receives all evidence from postmasters, and certifies when the service has been properly performed; makes cases of fines and deductions where the service is not performed; and has general supervision of the mail transportation in the particular section of the country to which he may be assigned.

Q. To whom is it the duty of the postmasters to report the non-arrival or departure of the mails?—A. That comes to the inspection-division. The report is directed to the inspection-division of the contract-office. Prior to the advent of Mr. Blair the inspection-division was an office of the Postmaster-General, and the duties were a part of those of his chief clerk. But under Mr. Blair it was transferred to the contract-office, thus putting a power in the hands of the maker of contracts (the Second Assistant Postmaster-General) to examine the service. It was originally intended as a check on the contract-office, and also as a check on the Auditor's office. For instance, the Second Assistant Postmaster-General orders an increase of service, on a petition or representation of citizens. That service may be performed or not. The inspection-division finds out that it is not performed, and they make a case against the contractor. That goes to the Second Assistant Postmaster-General, and, if he chooses, each case can be returned without any action being taken upon it. Whereas, were it not connected with the Second Assistant Postmaster-General's Bureau, the inspection-

office could compel the contractor to perform his duty without there being any pressure brought to bear on the Second Assistant to remit the fine. If a remission of fine or deduction was to be made, the contractor or his attorney would have to go directly to the Postmaster-General, and so bring up the whole case. Whereas a fine at the present time, or a deduction can be placed right on a contractor's pay, and if he can bring sufficient pressure on the Second Assistant Postmaster-General, or should it happen that the Second Assistant was venal and could be approached, there is a case right straight out, and there is no record to show but what the man has faithfully performed his duty, and he is paid. Instead of its being a check on the Second Assistant's Bureau it is just merely a side show—a thing named the inspection-division, and, in fact, nothing.

Q. Had you, at the time you were instructed by Mr. French to make certificates for Peterson, any reports from postmasters upon his routes of a failure in the arrival or departure of the mails?—A. I think that the certificate was given without any examination of the papers on file at that time. It is so long ago—over a year—that my memory on that is not sufficiently clear to enable me to state with perfect distinctness. I remember perfectly well, about the first day I took charge of that desk, that the order came down to certify to those routes, and I think that the certificate was given without such close examination of those papers as took place afterward. There may have been at that time some carelessness on my part by not looking very closely at them; but it was a new desk to me, and I was running a double desk—my own section and this section which I had taken.

Q. Is it not the duty of the postmasters to report at once a failure in the arrival or departure of mails?—A. The postmaster at each end of the route is supposed to report immediately of a failure or of a wet mail. If there is but a simple delay in the mail, he makes that report at the end of the month. But in all cases where there is a failure, that is supposed to be reported by letter at once, if the cause is known.

Q. And those reports came to the office which you were in charge of?—A. The reports for that section came right there. They are made on blanks, and are supposed, under the instructions to postmasters, to be mailed at once after the end of the month.

Q. If a contractor has failed to deliver during the first fifteen days, would there be any report until the end of the month?—A. Most decidedly; there would be supposed to be a report every twenty-four hours, at least within one hour after the arrival of the mail, if the postmaster does his duty. We have to depend entirely on postmasters. It would take an army of special agents to watch the contractors, and therefore each postmaster is required to report immediately on the non-arrival of the mail. As a matter of course, it is not done. Sometimes we do not get a report from a postmaster for three months, and sometimes not at all. I have, in many instances, got twelve of those registers in one batch, where the postmaster would neglect and utterly refuse to report.

Q. Is the contractor paid, then, without regard to any evidence of the performance of his service?—A. In cases where we find that a postmaster is derelict in his duty, we send him a circular inquiring why he has not reported. If we get no answer to that circular—very often they will not take the trouble to answer them—we then send to the intermediate offices, and, on the evidence from those intermediate offices, we pay. I have adopted, or did adopt, as a rule that where the evidence came from one end of the route, and none from the other, to deduct one-half the contractor's pay, making up a case against him, and stating in the brief, "No evidence received; deduct one-half of the man's pay *pro rata*." The contractor, within eight-and-forty hours after that, or as quickly as the mail could reach him, would be notified, and that would make it obligatory upon the contractor to furnish the evidence which the postmaster had neglected to do. Oftentimes, where the postmaster has been derelict in that manner, we would accept the evidence of the carrier and a disinterested person living near by the post-office, who knew that the mail had been received and delivered. In a great many cases the contractor for a number of small routes, for instance, through Tennessee and Kentucky, would perhaps have five, six, seven, eight, or ten routes, as the case may be, bid for, and he would sublet these things, and the contractor himself would know nothing at all of failures. For instance, a man living up in the mountains of Kentucky, at Whitley Court-House, and along that way, would have some routes lower down, and they would be sublet to his carriers. He would pay the carrier so much and receive a certain percentage. There would be a report that the mail had failed to arrive at a certain time. The contractor would be notified, and his answer would come right back that it was not the fault of the contractor, but of his subcontractor who had failed. But still we had to deduct the contractor, and when he settled with his subcontractor, of course that subcontractor lost the money.

Q. Were the postmasters who failed in the discharge of their duties reported?—A. Yes, sir; we used to make up cases against postmasters and send to the appointment office.

Q. Do you know the result of those reports; what action was taken upon them, if any?—A. As a general thing, the complaint was referred to the member of Congress in

whose district the postmaster lived, and that generally would be the quietus of it. I would once in a while go to the appointment office and ask if any action had been taken on a postmaster whom I had reported some two or three days before, and the appointment clerk would tell me that he had written to the member of Congress from that district. I never knew a postmaster to be removed for dereliction of duty, in that respect, in my several years of experience in the Department.

Q. What opportunity, if any, had Mr. Lake for stopping the reports and preventing their reaching the inspection clerk?—A. Well, the chief of the division, if he is a venal man, can put a stop to any complaints reaching the inspection clerk. If a report does reach the inspection clerk and a case is made up on it, the chief of the division has the power of suppressing the report. There are such things as mislaying of papers; papers being taken for the purpose of consultation and never being returned. This is only a suppositious case; I am only speaking of what might be done. The chief of the inspection division has it in his power, if so inclined, to prevent the report of the case of a fine or deduction ever reaching the Second Assistant Postmaster-General or ever returning to the inspection office. If a man is willing to be bought, and another is willing to buy him, there is nothing to hinder it in the world.

Q. Have you any reason to believe that Mr. Lake was guilty of anything of this kind, or received any compensation from any parties for favoring them?—A. That is a very hard question to answer. One can only form an idea. This is merely an idea that would pass through the brains of any person in seeing a sudden letting up on a certain contract. For instance, Mr. Lake found a great deal of fault with me at the time that I was pushing Sawyer, suspending Sawyer's pay. For a certain time when we commenced on the investigation of Mr. Kittle, Mr. Lake was very ambitious to push the thing right through, but when he found out that Hopkins and I were working and intended to push Kittle as close as we possible could to the wall, he suddenly cooled off. Kittle's reputation in the Department was that if he could find a man who could be bought he would buy him, and from being so very much against Kittle and then so very friendly with him, walking on the streets with him and so on, gave rise to a good many ugly thoughts in the minds of a good many of us. This is merely thoughts; it is not evidence at all of any kind; it is merely an inference drawn. I would not say this out of any personal feeling against Mr. Lake or any officer of the Department, but it leads us to suppose that were these men, notoriously known to have attempted to bribe men in the Department, have been seen visiting, sitting in their rooms, walking with them on streets; that leads us to suppose that their duty is not so strictly performed as it ought to have been under their obligation.

Q. At the time of your discharge—

The WITNESS. Excuse me, I was not discharged.

Q. Well, your resignation. Was it not the settled policy of Postmaster-General Jewell to displace all the appointees of Postmaster-General Creswell and replace them with his own?—A. That seemed to be the idea; that would seem to be the understanding in the Department.

Q. You were an appointee of Mr. Creswell?—A. I was appointed in the Post-Office Department on the recommendation of John A. Rawlins, Secretary of War. Mr. Creswell gave me the appointment on his personal application.

Q. And he was at that time discharging clerks in the Department, without any other reason than that he desired to replace them with his own appointees, for whom he was willing to be responsible?—A. I wouldn't like to state that of my own personal knowledge, but that seemed to be the impression. In the first place, Mr. Creswell appointed Mr. Watkins, who had been chief of the inspection division, or principal clerk of that division; he had been appointed by Mr. Creswell as his chief clerk. About one of the first removals ever made by Mr. Jewell was Mr. Watkins, who was reduced from chief clerk to an \$1,800 clerkship, and placed in charge of the contract-desk for Indiana and Ohio. Various other discharges followed in that manner, without there seeming to be any cause, except that their places were wanted for somebody else. That seemed to be the idea.

Q. Did you know anything of the Nichols contracts?—A. No, sir; that was in the State of Missouri.

Mr. AINSWORTH. In Iowa, I believe.—A. That was not my section. That section was in charge of a clerk named Spangler. Previous to his taking the desk it was in charge of Colonel Burnside, the present superintendent of the Post-Office Department. Nichols, I believe, was said to be interested in some of these contracts with Kittle and Hinds. I think I have heard Nichols's name mentioned as being engaged with them.

By Mr. LUTTRELL:

Q. On yesterday I understood you to say that papers were taken from your desk and were not returned; also that papers should have been sent to your desk which were not; can you account for the reason why those papers were not sent to your desk in the first place?—A. I cannot, although I have heard a very lame excuse given. I made inquiries in relation to some papers belonging to Mr. Kittle's case, and also some papers in relation to the cases of Sawyer and Peterson, as to why those papers were

taken from my desk and not returned. The only answer I got was that they were being held for investigation; that Mr. Woodward had them. On making application to Mr. Woodward, I found that Mr. Somebody Else had them, and I lost track of them.

Q. I understood you to say that Mr. Peterson had been paid in full every quarter without any fines or deductions?—A. Yes, sir. I think, as far as my memory serves me, for one year prior to the taking charge of that desk I could not find any fines entered against Peterson. The papers and books would show that better than I can tell you.

Q. At the time these payments were being made to Peterson, were there not reports from the postmasters along his route reporting him delinquent, or rather not complying with the requirements of his contract with the Government for carrying the mails?—A. Yes, sir; there were reports covering a period of over one year. And here let me say, that in settling up Peterson's case after the quarter ending March 31, we had to wait until we could get satisfactory evidence from Red River Landing, because the postmaster who had been appointed through the influence of Dr. Peterson had utterly neglected to report in any way or shape, either by letter, register, or certificate.

Q. But still he was being paid?—A. Still he was paid as regularly as the quarter came around; and, I think, upon an examination of the books, you will find that all the way from the 12th to the 15th day of the month after the end of the quarter that man received his pay, and before the expiration of the thirty days, as required by the regulations.

Q. Can you tell me why it was that the papers that belonged to your desk were taken out of your hands and were kept away from your desk?—A. I can tell only as it was given to me. Certain papers were asked for and taken away, and in the files of my desk there will be found slips of paper, or ought to be, with a certain number written on them, indicating in whose possession they were. I have understood since the recess that there were no memoranda or slips among those papers at the present time.

Q. Had you reason to believe that they were taken from your desk for the purpose of favoring Peterson or these fraudulent contractors?—A. That was my private opinion, but still, at the same time, I would not like to testify that it was for that reason. It is just my candid opinion.

Q. You speak of Barlow, Sanderson & Co., as being some of the parties who had this favoritism shown to them.—A. Yes, sir.

Q. Were they not known as the "ring" or straw-bidders in this city?—A. We used to look upon them as being the chief leaders of that gang.

Q. Did you ever make complaint in person to the Postmaster-General of the transactions that were going on in your office?—A. It was almost as impossible to reach the Postmaster-General as it would be to reach Heaven. You must remember that there is just as much distance between the Postmaster-General and a subordinate clerk as there is between a cook of a company and a major-general. We have to go through all the various grades and steps from the chief of the division to the messenger of the Postmaster-General. There is no opportunity of seeing him unless you bombard him in his own house after office-hours.

Q. I understand you to say that when these papers were called up of Peterson, Barlow, and others, wherein they were charged with delinquencies, it was during the absence of Mr. Tyner?—A. I will correct that for one moment. I was speaking at that time of the papers of Mr. Peterson; not of Sanderson and others. The impression I gave in relation to those is a generally understood idea of those men; that we knew them beyond the shadow of a doubt, although we could not prove it. I ought not, perhaps, to use such a strong term as that, but we supposed from association and from circumstantial evidence that those men were the ring contractors, and we used to know that the contract-clerk, who is General Smith's great friend, boarded at the same hotel where some of those contractors boarded, and that he drank their wines and smoked their cigars and drove their teams, and, in fact, acted as their counsel and friend.

Q. Who is this man who did this?—A. A. H. Browne. He was at that time a contract-clerk for that section.

Q. Where is he now?—A. I believe he is in the city, but I do not know; he was formerly in one of the Auditor's offices, and came from the same town as General Smith. On the advent of General Smith as Second Assistant Postmaster-General, Brown was placed in charge of that section. Mr. Van Buskirk, now secretary of the Columbian Bank Note Company, was the clerk prior to that time, but he was removed immediately on the advent of General Smith.

Q. And Mr. Brown was put in his place?—A. Yes, sir; and remained there until some little time ago.

Q. Do you know why he was removed?—A. Not of my own knowledge; I know no more than floating reports, that the Postmaster-General requested his resignation—that there was something crooked about him.

Q. What Postmaster-General?—A. Mr. Jewell. I believe Mr. Jewell honestly intended to break up that Western ring, about which there had been so much news-

paper talk. I think that Mr. Jewell intended to have broken up that Peterson ring and others, but there was a sudden letting up all at once; a sudden stoppage of warfare against these men.

Q. Have you any reason to understand the cause of this letting down?—A. No, sir.

Q. I understand you to say that you had a conversation with Postmaster-General Jewell at one time?—A. Yes, sir; I submitted a large quantity of papers in relation to Mr. Sawyer's service, one route in particular, which had been made up by my predecessor, amounting to something like \$6,000, and an attempt was made to get that remitted. At that time I had taken charge of a section, and I fought that thing from the time it left my desk until it was returned. From January until September I fought that thing day in and day out against any remission, but I got beat at last, and a remission of over \$4,000 was made; on what ground I do not know.

Q. Who remitted the fine?—A. The Postmaster-General.

Q. What were the fines entered for? Can you explain what the delinquencies were from your recollection of the case?—A. As far as the delinquency is made up from reading the brief of the case very carefully, it was a route known as 8619, from Marshall to Clarksville, ninety-nine miles and back, six times a week to Jefferson, and three times a week the residue. Proposals were invited for six times a week service on the whole route. That was let to Mr. Sawyer. There was one of his set of bidders, Eddington, at \$1,900 per annum, and Eddington having failed, Sawyer contracted for that on temporary service from July 1 to December 31, 1871, six months, at the rate of \$7,000 per annum. It was again advertised, and again a failing bidder came on. Again Mr. Sawyer received the pay for carrying that, and then the service was increased, running from Marshall six times a week to Jefferson, and three times a week the residue. The route ran along in this manner from Marshall to Jefferson, and from Jefferson to Clarksville. The reports from Jefferson show that there was three times a week service performed between Clarksville and Jefferson, and the report from Marshall showed that there was three times a week service performed from Jefferson to Marshall, and then the account was made up in such a manner that the reports showed from intermediate offices six times a week, when, in fact, there was service but three times a week from Jefferson to Clarksville, and that was called six times a week.

Q. Then, I understand you that these reports were fraudulent?—A. The reports in the case show that the service had not been performed, and that a deduction of \$6,000 was made.

Q. Were there not a large number of bidders for that route, for a much less sum than \$7,000 per annum?—A. Yes, sir.

Q. Do you know why it was that those contracts were not made with some of those bidders?—A. No, sir; I do not.

Q. Then the reason that you followed Sawyer up was because he had failed to comply with his contract and had caused fraudulent reports to be made to the Department?—A. I had followed it on the supposition that the service of Sawyer was not being properly performed, and that the reports that came in there were not true and correct ones. My attention was called more particularly to Mr. Sawyer from a remark made by some one who had been connected with him—that he owned every postmaster on his route. It was rather a wrong thing to do for a clerk to take notice of such a statement as that, but at the same time it was an opening to follow this thing up. Service was not performed by Mr. Sawyer properly, and the records of the Department will show that from quarter to quarter, and from quarter to quarter all the way through, fines and deductions were imposed upon him and remitted again and again.

Q. Was it not a notorious fact in the Department that this man Sawyer was one of the leaders of the straw-bidders' ring?—A. Yes, sir; he was always looked upon as such. It may not be strictly proper to speak of the dead, but I am going to bring in the evidence of a dead man. It is a somewhat unfortunate thing to do. The late chief clerk of the Department, Mr. Childs, who had been about forty years in the Post-Office Department, and was the very first clerk that I saw in the Department, when a number of contracts were presented to me, the first thing when I entered the Department seven years ago, he told me to watch Mr. Sawyer, for that was one of Sawyer's frauds; "if you are ever brought in contact with a contract of Mr. Sawyer's, look at it." He told me to watch Mr. Sawyer's service as closely and a little closer than I would watch anybody's else. I had known Mr. Sawyer in Texas as being a confederate mail-carrier, and I knew that immediately after he returned to the city of Washington, although he had sworn allegiance to the confederate government, yet he could take the iron-clad oath and become a mail-contractor for the United States. That is one other reason why I watched him closely.

Q. Do you know anything of a contract from The Dalles or Walla-Walla to the Missouri River?—A. Nothing more than mere hearsay. Mr. Gonzalves, the inspection-clerk, can give more evidence on that point than I can.

Q. Do you know of any complaints being filed by the postmaster at Walla-Walla, or other postmasters, that the service had not been performed on that route?

Mr. CANNON objects to the question.

Q. Do you know of any protests or complaints being filed with the Department by any of the postmasters, either at Walla-Walla or the Dalles, or at other points along that route, that the contractor had not complied with his contract?—A. Of my own personal knowledge, no.

Q. Did you hear of any at that time?—A. I have heard of it.

Q. That there were delinquencies on that route as well as others?—A. Yes, sir.

Q. From whom did you hear it?—A. It was a topic of conversation among the inspection-clerks—a general supposition among them that service was being paid for that was not performed.

By Mr. CANNON:

Q. You spoke of Mr. Lake, chief of the inspection division; how long have you known him?—A. Something like three years.

Q. You were in his division yourself for about three years?—A. No; he was only promoted to the chief of division some eighteen months or possibly two years ago.

Q. You were a clerk with him in the inspection division prior to that time?—A. He was clerk in charge of the Ohio division.

Q. You were in the office something like a year after he was promoted?—A. Yes, sir; perhaps a little longer; I do not remember the exact date of his promotion.

Q. Did you ever have a difficulty with him?—A. No, indeed; I never had any difficulty with any of the clerks.

Q. Was there any hard feeling existing between you and him?—A. Not that I am aware of.

Q. You are good friends, are you?—A. As good friends as men ordinarily are who are moving in the same circle of life.

Q. You never had any cause of quarrel?—A. No; the man never did me any harm that I know of.

Q. Be kind enough to particularize any improper action you may know upon his part in relation to his official duties.—A. I do not know that I could particularize any very particular thing that would reflect any discredit upon Mr. Lake, except, perhaps, the assumption of a little more authority at times than he was entitled to—a kind of overbearing manner.

Q. It was the manner in which he combed his hair and regulated his actions?—A. No, sir; not in any way or shape, but merely in transacting the business of the office. He had a kind of brusque manner that showed that promotion had rather spoiled him. Sometimes I have seen men promoted from private to corporal who thought they would make better major-generals than corporals. So it was with him; he was promoted from \$1,200 to \$1,400, and when he got to be an \$1,800 clerk he thought the whole Post-Office Department was on his shoulders.

Q. That is all you know or can say against him?—A. I am just speaking about that. As far as regards his doing anything out of the way or illegal, nobody would have a chance to discover it in his room, because his room is a private room, and the clerks did not go in there, but the contractors did; that is all there is about it. The clerks who did go in attended to their business and did not associate with or sit down and talk with him; so it would be impossible to put your finger on any one thing beyond the shadow of a doubt and say that he had done something wrong.

Q. If you know beyond the shadow of a doubt that he has done something wrong, give us the evidence.—A. I tell you that unless a man did know—

Q. Then why do you say that of him?—A. I do not.

Q. Why do you intimate it?—A. I did not intimate that he has done something wrong; you cannot find that in my testimony.

Q. If you have said that, you now take it back?—A. If I have intimated that he has done anything wrong, I stand by the record.

Q. Do you now intimate that he has done anything wrong?—A. No, I do not, neither have I.

Q. If the record says that you have so intimated, you stand by it?—A. That is what I said.

Q. You still say now that you do not know where he has done anything wrong?—A. I say I cannot say beyond the shadow of a doubt; everything is circumstantial evidence, as a matter of course; we were not spies watching him and trying to catch him or any of the clerks.

Q. You supposed he had an opportunity to do wrong?—A. I know he had an opportunity.

Q. Do you suppose he did?—A. I don't suppose anything of the kind.

Q. I am asking for evidence of the wrong he did.—A. I have already told you that I have no evidence of his doing anything wrong. I am only speaking of what a man might do.

Q. You only considered what he would do?—A. I don't know. I have had a great deal of experience among criminals, and I am rather suspicious of every man.

Q. You have not much confidence in human nature?—A. I have not.

Q. Your idea is that all men are thieves, and you have but to give them an opportunity?—A. I think that every man has his price, if he but gets enough.

Q. You measure human nature in that way, and for that reason you thought Mr. Lake, having an opportunity to do wrong in coming in contact with these men, he would improve that opportunity?—A. I was speaking, sir, in the general term—

Q. I am speaking in particular terms; do you include yourself when you say every man has his price?—A. Most certainly I do.

Q. You speak of Mr. French sending down an order for you to make up a certificate of Peterson's; that was shortly after the expiration of a quarter, I believe?—A. Yes, sir.

Q. He sent a written slip signed "F"?—A. Yes, sir.

Q. Did he say on that slip, "Make it up, whether you have evidence or not"?—A. No, sir.

Q. Was not that an order to make that case special, and make it up according to the evidence?—A. It was just simply an understood thing that the order came down to certify to that man's service, and it was certified.

Q. I will ask you whether there was any evidence on file of his having performed the service or not?—A. You do not understand my answer, and you have not paid much attention to my evidence, or you would have heard me state this one thing, that in no case did I certify on any route unless we had some portion of evidence, either three months or two months.

Q. Had Mr. French been down there and looked at the evidence?—A. No, sir.

Q. Did he know what the evidence was, so far as you know?—A. I do not know.

Q. You had charge at that time?—A. I had taken charge of that desk.

Q. I will ask you again whether all there was in that order was not to make up the certificate on the Peterson route which you have mentioned; was not the only effect of the order to instruct you to make that case special, and make it up according to the evidence on file?—A. It might be considered in that manner. Mr. French might claim it in that way, but we did not always look at it in that manner. Where the case came right down in that manner, we always looked upon it as a special favor, more so with Peterson and his clique that were around there than others.

Q. You looked upon it as a direction to you to make it up, right or wrong?—A. No, sir; don't put that in my mouth. It has been customary with a certain class of contractors to have their service reported and the fines and deductions, if any, carried over to the next quarter. When a contractor came in having the influence which Dr. Peterson had to back him in the Department, it was generally supposed that Dr. Peterson wanted his pay right at once, and if there was anything against him, to carry it over until the next quarter, and in the mean time something might come in by which he would not be fined or deducted.

Q. Did you make it up when he sent the request down?—A. I certified to Dr. Peterson's service.

Q. What was the number of the route that you certified upon?—A. I cannot tell now, it was pretty much all of his route.

Q. Did the order include all of it?—A. Everything, the whole route.

Q. And you made it up according to the request?—A. Excuse me for a moment and perhaps I can give you the numbers now. [The witness refers to the memorandum.] Numbers 8031, 8063, 8066, 8067, 8081, 8117, and 7505.

Q. And upon those you certified?—A. Yes, sir.

Q. For what quarter was it you made that certificate?—A. For the quarter ending December 31, 1874.

Q. And when did you make it?—A. Somewhere between the 14th and 18th of January, I don't remember the exact date; the books will show, and there ought to be shown on the books, "By order of the chief clerk."

Q. Did you have the evidence upon which to make the certificate?—A. I had the evidence for two months, I think; I will not be sure about that.

Q. On all the routes?—A. As far as my memory serves me.

Q. And full evidence on none of them?—A. No; because there was no time for full evidence to have reached Washington.

Q. Is that the reason, or do you recollect that there was not full evidence?—A. I do not.

Q. Did the evidence ever reach Washington?—A. Yes, sir.

Q. Then was he paid improperly on that certificate that you made?—A. Yes, sir; it was an improper payment.

Q. Was he paid, not having performed the service?—A. Yes, sir.

Q. When had he not performed the service?—A. He had not performed the service during the months of November and December, and from the January previous.

Q. On what route?—A. 7505 and 8117.

Q. Where is that?—A. From New Orleans to Red River Landing

Q. What other route?—A. On 8031.

Q. How do you know he had not performed the service?—A. Because it was developed afterward by the evidence that came in that he had not.

Q. What was done when that was developed?—A. He was deducted.

Q. What I want to know is whether he got ahead of the Government?—A. He did for a certain time.

Q. Did the Government then get even with him?—A. I think it did before he got through.

Q. State with reference not only to Peterson's route, but with reference to railroad routes—for instance, the Baltimore and Ohio and other railroad routes—whether the practice had not grown up in the Department, where a man had a contract running over a considerable space of time, to settle with him for a quarter and deduct out of the next quarter if there was any fine?—A. In cases only; not every contractor.

Q. I will instance the Baltimore and Ohio.—A. That railroad is a very large corporation—

Q. I am not discussing whether the railroad is large or small; I instance the fact whether it had not been the practice with that railroad?—A. Yes, sir; it had been the practice mostly with railroads, and let me explain here why. On most of the railroads, until within a very few years, the mail-messenger service was performed, and the larger offices were either collection or deposit offices, and the railroads very rarely had collection-orders sent them. Until this railroad postal-car service went into operation most of these offices on the lines of railroads were distributing-offices for the back country, and contractors would take collection-orders and collect the money actually from an office on the railroad to pay them for their service. When they did not collect it they would send it to the next larger town or post-office depository, and thus there was no danger in paying railroads, because they had not drawn any money from the postmasters. It is different with other contractors. The railroad, at the present time, does collect something, and the Baltimore and Ohio did collect a great deal. They had the use of that Government money for three months.

Q. I will ask you to state the number of dollars that the Government lost by payments made to Peterson where he never performed the service?—A. You ask me a question that I can't answer.

Q. Do you know the amount of fines and deductions that were enforced against Peterson?—A. I had the amount as it was made up, and as it ought to have been paid.

Q. Do you know whether it was enforced?—A. I do not; I would not pretend to answer that question.

Q. Peterson's contracts expired last July, did they not?—A. They expired the 30th of June.

Q. When the final payments were made to Peterson upon his contracts, and the final settlement made with him by virtue of any payments that were made to him upon your certificate or that of anybody else, was the Government defrauded?—A. No, sir; because I got one deduction out of him that was not taken from him in the settlement of his case. I got one deduction from him in the quarter ending the 30th September, on the new lettings. Evidence came in. He was paid on a certain route for which the evidence was not in, and I laid for it, and when it came in I deducted.

Q. Give us the number of the route.—A. I cannot give you that.

Q. Can you give the termini?—A. No; I do not remember that either.

Q. Can you give the amount?—A. It was a small amount.

Q. State whether in any of these payments that you claim were made to Peterson the Government has lost anything.—A. That is a question I cannot answer. I do not know; it is utterly impossible for me to tell. That is a question properly belonging to the Auditor's Office. I would not say certainly. My impression is that as far as I was concerned in making up cases against him on the general certificate, we had got even with Mr. Peterson. I am speaking, mind you, of my own knowledge; I do not know anything at all anterior to my service.

Q. I understand you to say that these deductions and fines made up against Peterson, so far as you know, were not remitted?—A. I have no knowledge of their remission. I think not. I think there has been too much noise made to prevent a remission.

Q. Therefore you think they were not remitted?—A. That is just my private opinion.

Q. That is your private opinion, measuring men as you do?—A. Yes, sir.

Q. I understood you to state, in your examination, in reply, I believe, to General Clark's question, that after these fines and deductions were entered against Peterson, there was a great deal of running back and forth between your room and the room of the chief clerk to the Second Assistant Postmaster-General, and a great many inquiries were made about it; it was being investigated?—A. Yes, sir.

Q. Was there anything strange about that?—A. Yes, sir; very strange.

Q. What is strange about it?—A. When a man did not perform his duty and is deducted, as he ought to be, for the non-performance of his duty, it is a very strange thing that he should bring a certain amount of influence and call up the case time and again and time and again for the purpose of revoking a decision already made.

Q. Peterson was wanting to have it remitted, was he?—A. Yes, sir.

Q. That would be in his interest, would it not?—A. Most certainly; it would be so much money in his pocket.

Q. He was making an effort to do it?—A. Yes, sir.

Q. That was wrong on the part of Peterson, of course, if he really had been fined; and yet it was natural, was it not?—A. I have my own opinion about that.

Q. I am not asking your opinion. The chief clerk, or Mr. Tyner, or the Postmaster-General, notwithstanding efforts that Mr. Peterson may have made, whether proper or improper, did not, in fact, remit those fines?—A. As I said before, not to my knowledge.

Q. Then they were not guilty of any frauds in that respect, to say the least?—A. I haven't charged them with any.

Q. What desk were you in charge of before you took charge of Louisiana and Texas?—A. Tennessee, Kentucky, and Indiana.

Q. How long had you been there?—A. Five years.

Q. Were you ever improperly interfered with while you were at that desk?—A. I don't understand the question.

Q. Did you ever do anything while you were at that desk that you ought not to have done?—A. Not that I am aware of.

Q. Were you ever ordered to do anything by your superior officer that you ought not to have done?—A. I don't remember. I don't think there was anything large enough there to tempt anybody to do anything wrong.

Q. You said something about a route from Evansville to Cairo, Ill. Who was the contractor on that route?—A. The Evansville, Cairo and Memphis Steamboat Company.

Q. Did you formerly make up their accounts?—A. Yes, sir.

Q. For how long?—A. From 1870 to 1875.

Q. Did you fine them and make up deductions against them?—A. Yes, sir.

Q. Frequently or otherwise?—A. Whenever there was sufficient opportunity offered.

Q. That went through Mr. Lake's hands?—A. He was not there. Mr. Watkins was there.

Q. Who was Mr. Watkins?—A. He used to be the principal clerk of the inspection division.

Q. Was it not alleged that he had certified or made up the account for that contractor you spoke of during one winter when he had not performed his service?—A. It was alleged that he was paid for a portion of the time when he had not performed his service.

Q. Was it not alleged that you made up the certificate?—A. As a matter of course it was, without making any deductions.

Q. Was it so or was it not?—A. The deduction was made up and under the instructions of the Second Assistant Postmaster-General the case was returned and no deduction was made.

Q. When was this that you made up this certificate?—A. It was covering a period, I think, of 1871-'72, somewhere along there.

Q. Was that the time of the alleged wrongful action upon your part?—A. I think so.

Q. Who was Second Assistant Postmaster-General then?—A. Colonel Routt in 1871-'72, or 1873, I don't remember the year.

Q. Did the Postmasters-General's certificates or registers show that service had been performed during that period for which you certified?—A. There was on the report, register, or letters explanatory filed in the Department showing that payments had been made, but that the boats had been frozen in the ice, and contractors had been subjected to very heavy expenses, and I believe that in conversation with Mr. Creswell, Mr. Nesbitt, who was then president of the company, and I do not know but Senator Morton or somebody else, the whole thing was laid to one side. I am not certain about that, however.

Q. Be kind enough to answer my question. I did not ask you for that.—A. I will

Q. If you recollect what year that was, you may state it.—A. I don't recollect.

Q. It was winter?—A. No, sir; it was in the spring-time, I believe.

Q. I ask you if it is not true that the returns of the postmasters show a considerable period of time that the service was not performed?—A. Not to my recollection.

Q. Have you any recollection about it?—A. I have some recollection.

Q. Did they show that the service was performed?—A. They show that the service was partly performed.

Q. How much of it was performed?—A. That I cannot remember; I don't remember anything about it. It was a thing that was not impressed very strongly on my mind until a short time ago, and I have not taken the trouble to hunt it up.

Q. You have not examined it since you certified?—A. No, sir.

Q. That was the reason for your being asked to certify it, was it not?—A. That was the nominal reason, I believe.

Q. And yet you had not interest enough in it to look at it?—A. I did not care about it. Here is Mr. Niblack's letter—

Q. I do not want that letter now ; be kind enough to answer my questions. You made up the account of this company as if the postmasters, I understand from you, had certified that the service had been performed ?—A. You do not understand anything of the kind from me.

Q. What is the truth about it ? Did you or not make up the account ?—A. I certified to that service under instructions which were given to me.

Q. I will ask you about the instructions in a minute ; I want to know first whether you certified the service as if the service had been performed ?—A. Certainly I did. I could not do otherwise.

Q. I will ask you, then, whether the service of the postmasters did not show that the service had not been performed ?—A. I have already answered that ; I don't remember. As well as I can remember they showed that there had been some portion of the time that the service was not actually performed in consequence of delays caused by ice and bad weather.

Q. That is your recollection now upon the returns ?—A. That is my recollection now upon the returns.

Q. Notwithstanding that you certified ?—A. Yes, sir.

Q. Why did you certify ?—A. Because I received orders to certify.

Q. Who gave you that order ?—A. It came from my immediate superior.

Q. Who is he ?—A. Col. John L. Routt.

Q. Did he give it to you in person ?—A. That I cannot remember at present.

Q. How do you know that it came from him, then ?—A. I should have to go back and search some few things—

Q. Then you do not know that it came from him ?—A. I will say that it came from him.

Q. On a slip in writing ?—A. No ; as far as my memory serves me, it was a verbal order.

Q. Where were you when you received it ?—A. In the Second Assistant Postmaster-General's room, as well as I can remember.

Q. Who else was there besides you and Colonel Routt ?—A. I think Mr. Sweetser.

Q. Who is Mr. Sweetser ?—A. The secretary of the company. I do not know but Mr. French was there also ; I can tell by reference to this paper. Here is a copy of the letter—

Q. Refer to it, if you choose, to refresh your recollection. I want your recollection.—A. My recollection now is that the assistant postmaster of Evansville, Colonel McPherson, Mr. Sweetser, and myself went before Colonel Routt and the Postmaster-General, Mr. Creswell, who, after hearing the facts, allowed the claim. It occurs to me that Colonel Routt may have been there.

Q. What is your recollection about it ?—A. That is my recollection about it now.

Q. Did you go into the room of the Second Assistant or the First Assistant ?—A. We had no business in the First Assistant's room at all.

Q. Did you go into the Second Assistant's or the Postmaster-General's room ?—A. Both. These are letters to me in relation to this thing, (producing papers.)

Q. I am not seeking to get in these letters at this time ; I am seeking your recollection.—A. My recollection is that Mr. French and Mr. Sweetser and Colonel Routt went into the room of Colonel Routt, and there I received the order.

Q. Did you go with Mr. Sweetser to the Postmaster-General ?—A. I did not.

Q. You do not know what he said to the Postmaster-General ?—A. I do not know anything about it.

Q. Did you have the record before you at the time showing that this service had not been performed in part ?—A. The necessary papers were taken to him.

Q. And his attention called to them ?—A. Yes, sir.

Q. Had you made up this certificate prior to that time ?—A. No, sir ; to the best of my knowledge and belief.

Q. Did the certificate that you made up show that the service had been performed ?—A. There was no chance to show that on the certificate ; it showed that the route number was put on the certificate so that they could receive their pay.

Q. Notwithstanding the returns of the postmasters, you made up on this blank a statement as if the evidence was complete, and that he had performed the service ?—A. Yes, sir.

Q. Do you recollect what time of day it was ?—A. No ; I do not.

Q. How did Mr. Sweetser happen to be here and the assistant postmaster ?—A. They had some business here ; I do not know what it was ; they were here every winter.

Q. How long was it after the expiration of the quarter ?—A. I could not tell.

Q. Was it the ordinary transaction of business ?—A. Yes, sir ; in the office.

Q. It was when the matter first came up ?—A. I presume it was.

Q. Was Mr. Sweetser living here at that time ?—A. No, sir.

Q. Where did you first get acquainted with Mr. Sweetser ?—A. At Evansville, I think.

Q. When ?—A. I cannot tell you. In 1871 or 1872.

Q. You were out there at the time?—A. Yes, sir; I was there on a visit.

Q. On business for the Post-Office Department? You were in that Department?—A. I had a month's leave of absence. I had taken a leave to recover from wounds. I was disabled from performing duty.

Q. You were an officer in the Department?—A. I was merely a clerk in the Department.

Q. Was Mr. Sweetser secretary of the company at that time?—A. Yes, sir.

Q. Did you ride on his line?—A. Yes, sir; and paid for it.

Q. In full?—A. Yes, sir.

Q. You paid for everything?—A. Yes, sir.

Q. You never had any complimentaries of any kind?—A. Never a complimentary; not even a drink of whisky that I did not pay for.

Q. Then Mr. Sweetser never approached you improperly?

The WITNESS. For what?

Mr. CANNON. With any improper offer?

The WITNESS. I don't understand you.

By Mr. CANNON:

Q. I will ask you if he ever approached you with any improper offer touching your official duties?—A. No, sir; he never did, nor any other man.

Q. You never were approached by any man?—A. Yes, sir; I was approached once.

Q. Who approached you then?—A. Mr. Kittle.

Q. When was that?—A. Last spring.

Q. Sweetser, however, nor anybody else except Kittle ever approached you?—A. No sir; they knew better.

Q. Why do you say they knew better?—A. They could realize in a very few moments that I was not a man to be approached in any way to cause me either to break my oath or obligation as an officer of the Department.

Q. Yet I understood you to say a few moments ago that you had your price.—A. Most decidedly, I did; but you did not ask me what my price was.

Q. You did have your price?—A. Certainly.

Q. Then they could have approached you, if they had offered price enough?—A. I do not know that they could. As I said, I had my price, as every man has, in my opinion.

Q. In your examination-in-chief you stated that you were satisfied in your own mind, according to my recollection of it, that your resignation was asked because you knew too much about Sawyer and other western contractors—too much about their frauds to suit Mr. Tyner.—A. I made that statement, but I gave that merely as my opinion.

Q. Have you any facts upon which to base that opinion?—A. No; the only fact I have was a remark of Mr. Tyner to Clay Hopkins, a special agent.

Q. Did you hear that remark?—A. No; Hopkins told me of it; he merely said to me that Mr. Tyner had expressed an opinion that I was a man of very strong prejudice against Mr. Sawyer.

Q. When did Mr. Hopkins tell you that?—A. It was in relation to the fight I was making against Sawyer on 8619.

Q. When was it?—A. Some time during last summer.

Q. Where was it?—A. In Washington, at the post-office.

Q. In your room?—A. Yes, sir.

Q. Let me see if I understand you. Mr. Hopkins told you that Mr. Tyner had told him—A. Had remarked to him.

Q. Had remarked to him that he thought you had strong prejudices?—A. Against Sawyer; that I was prejudiced strongly against him; something of that kind that did not trouble me much.

Q. Is that all that he told you?—A. Yes, sir. I do not remember anything else.

Q. What other fact have you, if any?—A. I do not know; the thing has been floating around and there has been a great deal of outside talk. My own personal friend, Senator Patterson, has related something that Tyner had said, and others have told me; but those things have gone into one ear and out at the other. I only know that Mr. Tyner was devilish glad to get me out of the Department; that is the impression on my mind. I am too independent a man to pay much attention to these reports and rumors.

Q. Do you know of any improper or dishonorable action upon the part of Mr. Tyner?—A. I do not at present.

Q. Do you know in the past anything dishonorable in relation to his official duties?—A. I do not in the past. I intend to find that out.

Q. Whether it exists or not?—A. Yes, sir. I do not intend to judge of a man harshly until I find out, but I have set the wires to work to find out, and I will know him from the ground up, before I get through with him.

WASHINGTON, D. C., *February 17, 1876.*

EDWARD F. O'BRIEN recalled.

By Mr. STOWELL:

Question. I understood you to say that Peterson and Sawyer came with powers of attorney and collected money and transacted business in regard to a number of contracts in which they were not contractors?—Answer. Yes; that is a very ordinary method of doing business.

Q. It is done by almost everybody?—A. Yes, sir,

Q. Then in what respect did their cases differ from any other? Why did it cause suspicion if they simply did what others did?—A. I do not know that it created, on these particular routes where they had powers of attorney, any more suspicion than it would with others, only that we knew that they were evading the law in certain respects.

Q. In what respects?—A. The contractors are supposed to perform their own services; that is, when they bid on a route, it is presupposed that they are possessed of the means and appliances for performing the mail-service. The proposals on which the bids for mail-services are made contain this statement, sworn, that they are possessed of the proper means for carrying out in full faith their contract with the Government. It is a practice with Peterson, as well as with a good many others, to speculate in obtaining mail-routes, and it is a notorious fact that Peterson does not own a steamboat, nor a stage, nor a horse; and it used to be said that he did not know whether he owned the clothes on his back. But he becomes a bidder on a certain number of routes, and, calculating that some of them are worth from \$15 to \$25 a mile per annum, according to the service to be performed, he procures these contracts and sublets the contracts to men who own a horse and a boy, and makes a contract with them to carry the mail so many times a week.

Q. Do not nearly all the contractors do that?—A. No; not the small contractors. When a man has only a single contract he has the means of doing the service himself.

Q. From your knowledge of the service, do you not suppose that a large proportion of those who have a single contract sublet it?—A. Very rarely. I cannot call to mind a man who had a single contract who sublet it, with one exception. The only small contractor I know of who did so was Mr. Boyd, of Kentucky.

Q. That was the only one you know of?—A. Yes. You take, for instance, a man like Barlow, banker in Saint Albans, Vt., who puts in seventy-five bids away out in the Territories, in the Indian Territory, or Arkansas. We know perfectly well that he is speculating. He has the advantage of being in Washington at the end of the quarter. He sublets his contracts, and the subcontractor will pay him a per cent., or a royalty.

Q. If he is the contractor, they did not pay him a royalty?—A. He pays them, but it gives him a certain profit.

Q. All contractors get contracts for profits?—A. Well, looking over the services, you will find that small contractors make very poor profits. For instance, a farmer has always to go once or twice a week to the county town, and it is just as easy for him to take the mail in his buggy or wagon, and get the small profit. There is no inducement for a man to steal on \$50 a year.

Q. In what respect does this contract of Barlow differ from other contracts?—A. I cannot answer that question understandingly, because it was not in my section.

Q. You have got the idea that he went into it as a speculation?—A. Yes; as a regular speculation.

Q. How could it be if he performed the service lower than anybody else?—A. The question is whether he did.

Q. Do you think there was any straw-bid?—A. Yes.

Q. Do you think that a man who makes a business of carrying the mail, and who gets fifteen or twenty contracts, can do the service as well as a man who has a single contract?—A. Most decidedly not, because the man who has the single contract can attend to his business, while the large contractor cannot. The big route from El Paso to Concho was Coughlin's bid, for which he was paid \$30,000. Supposing that the bids were in the hands of small contractors, men who live in the neighborhood, and who know all the country, the service would be done much cheaper and in a better way.

Q. Did those men living in the neighborhood put in bids?—A. As a general thing they do.

Q. Did they put in bids on that El Paso route?—A. I do not remember; my memory on that is slim. Of course, it is a very easy thing to sit here and talk of carrying mails over a country which it is dangerous to travel over, but at the same time it seems that the carrying of the mails ought to be put into the hands of small contractors.

Q. Is not that the explanation why the bids are so large—that the service is dangerous, and small bidders will not bid, and the Government has to pay very high?—A. That may be considered as such.

Q. The men who are carrying those mails are residents of that portion of the coun-

try?—A. Most of them are Mexican carriers. They travel between certain points. In some parts of the country there was also an escort furnished.

Q. By the Government?—A. Yes, by the Government.

Q. Don't they have to furnish that escort themselves?—A. I do not know how it is at present. During the war the United States troops would protect them from the raids of the Indians. We used to escort them from Leavenworth to Smoke Hill.

Q. If these long mail-routes should be divided, could not the service be done cheaper?—A. Not only cheaper, but better.

Q. That is, the smaller men might put in bids for a short route when they could not on a long one?—A. Yes, sir. If you look in the advertisements you will see that there was a bond required of so many thousand dollars, and a check of 5 per cent. on those above \$5,000. Now, this poor man cannot command the quantity of real estate to file the bond, and he cannot afford to mortgage what property he has.

Q. You think that that is an onerous law?—A. It works a hardship. If you are a poor man, and you have to put money in the hands of the Post-Office, it is going to cripple you.

Q. You are decidedly of the opinion that that is an unwise provision of the law?—A. Yes, sir; and also that those routes should be cut up.

Q. What protection would the Government have against straw-bids unless it require this bond of 5 per cent. When you do away with that are you not opening the door to all those straw-bids?—A. Well, I do not know that I can answer that question. I have thought over the matter a good deal, but it is a very hard thing to decide or answer that question so as to make it understood. It involves a long theory.

Q. Is there any other way of preventing straw-bidding, and at the same time to let this man of small capital put in bids?—A. Only by breaking up those long routes; that is the only plan.

Q. Is it possible to break up those routes into shorter ones?—A. I think so.

Q. That is, there are local men who would carry the mail for short distances?—A. They will carry it from one office to another. This, I think, would cut down the expense. If there was not an immense profit in the carrying of the mail, men like Huntley and others would not make that a special business.

Q. How long is this route?—A. Something like 400 miles.

Q. How often is the mail carried?—A. It was supposed to be carried daily at one time. It is a very long route, and has been considered a very dangerous one.

Q. How much capital would it take to carry the mail there?—A. I do not suppose, what with stages, and horses, and men, and stands, that the thing could be started for less than \$150,000.

Q. So small men cannot touch it and the large bidder can get any price he wants?—A. Yes, sir; the small men cannot afford it. A large number of stables have to be built. They can only travel about twenty miles on a stretch, and then have to change horses. They have got to go on a run almost right through to make their time. The service is very hard and the risk very great. Every little while reports would come in that the stage had been attacked, the driver killed, and the mail scattered around.

Q. I understood you that men came here with powers of attorney, and that sometimes a man had powers of attorney for a great many contractors, and collected their money.—A. Yes.

Q. Is there anything in the postal law which prevents a man from employing an agent or giving a power of attorney?—A. No; no law to prevent it, but it is generally looked on as evasion of the law prohibiting the transfer of contracts.

Q. Does giving a power of attorney to collect money constitute a transfer of the contracts?—A. Legally, it does not. There are men, for instance, like Zeveley. He is the agent for a certain number of contractors. We look on him as merely attending to the monetary business. He was only recognized in the Auditor's Office to receive money. In the inspection office there was no correspondence held with him, but with the contractors.

Q. You have spoken of cases where the men transacted all the business.—A. Yes, sir; in regard to failure of mails, and fines, &c.

Q. Showing that they had some interest in it?—A. Yes; that they were the actual contractors in another name.

Q. Does not it sometimes occur that contractors are not competent to transact their business themselves, and have to employ an agent? Perhaps he has no education.—A. There is no occasion for a mail-contractor carrying the mail to employ an attorney.

The postmaster reports the service and the Auditor signs his draft.

Q. Suppose a man cannot read and write?—A. A man generally has some one in his family who can make his mark. We have some women mail-agents. There is a lady in the city who was a mail-contractor in your State. This route from Fort Concho to El Paso is 475 miles long, and the service is performed on it twice a week. It takes five and a half days to perform it.

Q. Are there any intermediate towns?—A. I do not know. As a matter of course this western country is growing up very fast, and towns spring up in a single night.

Q. And the route which could be divided now could not have been divided four years ago?—A. No, sir; the tide of emigration has built up towns, and the long routes might be done away with.

By Mr. CANNON:

Q. I want to call your attention to the verbal order which Colonel Routt gave you to certify to the performance of service on the Evansville and Cairo route, and get you to fix as near as you can the time of that conversation.—A. That I cannot tell.

Q. Can you fix the year?—A. 1872 or 1873; I really would not undertake to specify which.

Q. Did you ever have more than one conversation with him on that subject?—A. I do not remember. I only know of one.

Q. And that was the time Mr. Sweetser, Mr. Theodore McPherson, and Mr. French were present?—A. So far as my memory serves me, that was so.

Q. It related to this account business, which you were making up at that time?—A. Yes; and to some other accounts.

Q. Had you made any fines and deductions on that route at that time?—A. Yes; on all those routes.

Q. I am speaking of this route now.—A. It is a very hard thing for me to separate that particular route from any other, because it was in the general routine, and, as a matter of course, I have not the date.

Q. When did the service commence on this route by the company of which Mr. Sweetser was secretary?—A. Before I went into the Post-Office Department.

Q. Did he at that time give you instructions in the future to certify the performance of the service by that company, without reference to the registers?—A. I do not know that he did. He may have; I do not remember.

Q. You swear that you do not remember whether he told you not only to certify to the performance of service at that time, but also to certify in the future that the service had been performed on that route by the company of which Mr. Sweetser was secretary, without reference to the register?—A. I do not think there would be an order like that given.

Q. If the case had been made up at the time Colonel Routt told you to certify according to the register, do you remember what the amount of fines and deductions would have been?—A. No; I do not.

Q. I will ask you if it is true that, for the quarter ending March 31, 1873, on the Evansville and Cairo route, (at that time No. 9303,) according to the registers returned by the postmasters, the fines and deductions should have been \$1,298.16?—A. I have no recollection of it.

Q. Was that the quarter that Mr. Routt directed you to certify to without reference to the registers on file?—A. I cannot tell without reference to the books. The record will show.

Q. Is it true that you did certify for that quarter that the service had been performed in full?—A. That you will have to go to the books for.

Q. Were you not in charge of the desk at that time?—A. I may have been, and I may have been absent.

Q. I will ask you if it is true that for the quarter ending June 30, 1873, by the registers and proof on file, the deductions and fines should have been \$24.04, and that nevertheless you certified that the service had been performed in full?—A. I cannot answer those questions without reference to the books.

Q. I will ask you whether it is true that, for the quarter ending December 31, 1873, by the registers and proof on file, the fines and deductions should have been \$96.16, and that you certified that the service had been performed in full?—A. That I cannot answer.

Q. I will ask you whether it is true that, for the quarter ending March 31, 1874, by the registers and proof on file, the deductions should have been \$24.04, and that still you certified to its performance?—A. It is very probable that I did.

Q. I will now ask you whether it is true that, for the quarter ending June 30, 1874, by the registers returned, the deductions and fines should have been \$144.24, and notwithstanding you certified that the service had been performed on that route in full?—A. I do not think there should have been any deductions that quarter, but it is impossible for me to say.

Q. I will ask you whether it is true that, for the quarter ending September 30, 1874, by the registers on file, the deductions should have been \$144.24, and yet you certified that the service had been performed in full?—A. I certified to that service.

Q. I will ask you again whether it is true that, for the quarter ending September 30, 1874, by the registers and proof on file, the deductions and fines should have been \$144.24, and yet you certified that the service had been performed in full?—A. No; it is not true, because the proof of there being sufficient excuses ought to be on file.

Q. Was it on file?—A. It was.

Q. I will ask you again, is it not true that, though the registers and proofs on file

showed that for the quarter ending September 30, 1874, the deductions and fines should have been \$144.24, in the teeth of the proof you certified that the service had been performed in full?—A. To enable you to pass on that question, I will say, yes.

Q. Colonel Routt ordered you to do that?—A. I do not remember.

Q. Who did order you?—A. I do not know anything about it.

Q. I will ask you if it is true that, for the quarter ending December 31, 1874, though the registers and proofs showed that the fines and deductions should have been \$576.96, you nevertheless certified that the service had been performed in full?—A. Probably I did.

Q. Did Colonel Routt instruct you to do so?—A. I do not remember.

Q. Who did?—A. I do not know that anybody did.

The WITNESS. I would like to ask, as a favor, since Mr. Cannon has brought up this matter in regard to these fines and deductions, that I would be allowed to file, as an answer, papers and documents in support of the statements which I have made. Mr. Cannon has access to the records in the Department, which I am not allowed to have. My files and records in the Department can very easily be tampered with. It is very easy for a clerk to displace or misplace papers on file.

By Mr. AINSWORTH:

Q. What route is that route you have been examined upon?—A. The Evansville and Cairo route.

By the CHAIRMAN:

Q. That is the route about which Mr. Niblack wrote several letters?—A. Yes, sir.

Q. Is that the route concerning which you spoke of having letters the other day?—A. Yes, sir.

Q. The correspondence between Mr. Niblack, Mr. Sweetser, and yourself?—A. Yes, sir.

Q. Have you those letters with you?—A. I have them here.

The WITNESS then read the letters.

Mr. AINSWORTH asked that the letters be received in evidence, for the reason that, in the previous testimony of the witness, his answers had developed the fact of this correspondence existing, and its having been referred to by him as showing his connection with the Evansville mail-route.

Mr. CANNON objected to each and every one of the letters being received in evidence, for the reason that they severally shed no light on the investigation. It was a correspondence between Mr. Sweetser and between several parties and the witness, and, if it contained any statement pertinent to be given in evidence in the investigation, the witnesses should be produced in person, and their evidence given under oath; and for the further reason that the fines, spoken of in the letters as being remitted, related to some other period of time than that to which the attention of the witness had been called, his attention having been called to the certifying of service on the Evansville and Cairo route, where the proof showed that it had not been fully performed, and that no fines and deductions had been made.

The CHAIRMAN decided to receive the letters in evidence.

VINCENNES, IND., July 1, 1875.

MY DEAR SIR: While at Washington City last week I called two or three times to see Mr. Tyner, the Second Assistant Postmaster-General, about the claim of your packet company for compensation during the time of ice in the Ohio River. Mr. Tyner says that both by the law and the terms of your contract you have no claim whatever against the Government. He says that, on the contrary, you owe the Government for deductions that ought to have been made heretofore. At my request, he gave me a list of the amounts which he claims ought to have been deducted in former settlements, which I inclose herewith to you. He said that as soon as the Postmaster-General returned from his Western tour he would take his (Postmaster-General's) orders whether they should re-open these former settlements and try to recover this money back from you or not. He said he was not entirely clear whether the Government could do that or not, but thought it worth trying. He says they are going to dismiss the clerk who made you these allowances. He intimated that this clerk has been tampered with by somebody.

Truly, yours,

W. E. NIBLACK.

H. M. SWEETSER, *Evansville, Ind.*

EVANSVILLE, IND., July 3, 1875.

DEAR SIR: In reply to yours of 1st inst., would say that it has been customary during Mr. Creswell's administration, if we had a reasonable excuse, to allow us full pay. Now, while Mr. Nisbet was contractor and a stockholder in the line, I would like to know by what right has the Post-Office Department now to deduct what has been previously allowed? I propose, as far as I am concerned, to test that question; and, to go

still further, I intend to make the Department pay for the stoppage by ice. The smart *Alex.*, Tyner, I think, believes the responsibility of the Government is resting entirely on his shoulders. I propose, as a last resort, to ask Congress to allow this claim, which is a just one. We have had the contract for a number of years, and similar cases have occurred every year; and the heads of the Department have always allowed it; and if it was not the case, and we only got pay as per the rulings of Tyner, why, of course, we would ask a third more for the service. We are more anxious to carry the mail than the Government is to have us, as all the stockholders are merchants, whose only interests are to keep up daily communications; and we run our boats last winter at an expense of \$10,000, as we run our boats three weeks in the ice, and very near ruined one of them, and there was no other boat run or would have dared to run; but, of course, Mr. Tyner does not propose to allow us only the ordinary pay. As regards our tampering with a clerk, it is all humbug; and if there is any one to dismiss it will be Postmaster-General Creswell. Thanking you for your kindness in the matter, I would respectfully ask your opinion what is best for us to do, and in case we have to fight those gentlemen, would you do it for us? Do you think it is best for Mr. John S. Hopkins to go to Washington and present this matter; or, what would you do under the circumstances? An early reply will much oblige,

Yours, truly,

H. M. SWEETSER.

Hon. Judge NIBLACK, *Vincennes, Ind.*

VINCENNES, IND., *July 6, 1875.*

MY DEAR SIR: Your letter of the 3d instant was received yesterday. I would not advise Mr. Hopkins to go on to Washington at present; there are so many of the officials absent usually at this season of the year that it would be very uncertain if he could get a full hearing and decision if he were to go on now. If you desire me, I will open a correspondence with Mr. Tyner, and endeavor to have him hold up any decision until you can be heard. I told him I did not think he could open up any former settlements legally. He said he was not sure how far they could go, but that they were disposed to try and see. I am willing to undertake to resist the opening of your former accounts, and can go on to Washington again after a little while, if necessary. I cannot promise you anything as to getting pay for detention by ice last winter; as to that I will have to see further. Mr. Tyner seemed to be more out of humor because he supposed one of his clerks had been tampered with than anything else. He seemed to think an example ought to be made of somebody—but as to that he seemed not to have made up his mind as to just how he would proceed. The difficulty is that if they once make up or come to a conclusion to retain what they claim ought heretofore to have been deducted out of your future pay, they will give you a great deal of trouble, although you may beat them in the end.

Very truly, yours,

W. E. NIBLACK.

H. M. SWEETSER, Esq., *Evansville, Ind.*

EVANSVILLE, IND., *July 29, 1875.*

DEAR SIR: In reply to yours of the 23d, requesting a statement as to the refunding of any fines that may have been assessed against our company for failures to carry and deliver the mails on our mail-route, I will make the following statement:

Some time ago, when a notice of fines was received for similar causes as those of last winter, after preparing myself with all the necessary papers showing causes of failures, &c., which included letters from many prominent merchants of the city, postmasters on the route, steamboat-officers, &c., all of which were shown you, you then took me before Mr. French, and we three (O'Brien, French, and myself) all went to Mr. Routt, Second Assistant Postmaster-General, before whom my statement was made, together with all necessary facts in my possession at the time submitted. Colonel Routt then, I believe, went before Postmaster-General Creswell, and my recollection of the statement of General Creswell is in about this language: He stated that when a contractor made all necessary efforts to perform such service, and was deterred from performing it by uncontrollable causes, such as weather, &c., as he was satisfied our company had done from the facts submitted, it was but justice we should be paid. I know the fines I was there to have remitted, *were remitted* at the time, and any notice of failure to perform the service thereafter, our superintendent always forwarded causes for such failures, and we were not fined.

I do not remember the exact date of the above matter, as I have been to Washington at least four times a year on this service for the past three years, and always succeeded in satisfying the Department so as to be protected from fines.

Respectfully, yours,

H. M. SWEETSER,
Secretary.

Col. E. F. O'BRIEN, *Washington, D. C.*

EVANSVILLE, IND., August 10, 1875.

DEAR SIR: I have written the Hon. W. E. Niblack, this morning, a letter, upon the return of which I will forward to you. I also inclose you a letter written me by him on July 6, 1875. I think I have made quite an impression in Washington from what my friends write me. I have some very good assurances from men high in authority that we shall yet be paid for the deduction made during the ice. That is one thing I will never give up as a stockholder. We have carried the mail to the letter, and have the highest recommendations from every postmaster on the line, and also have the finest letters you ever saw from special agents verifying the report of the postmasters. As you are well aware, our line is composed of the leading republicans of our city, and all of whom are business men; and as far as our carrying the mail we are a long way more anxious than the Gov't to have it delivered promptly. As far as you are concerned in making the trip you did over our line, I have this to say: I never heard or saw you until Mr. McPherson introduced you to me the day we left on Str. Ark. Belle for Cairo. You were not my guest at all, but the guest of the postmaster, and he paid your fare same as anybody else would do. As far as our intimacy is concerned it is on the same grounds as Mr. G. La Fetra is to-day; you were instructed the same as he is to-day by Mr. Tyner; in case of any complaint or delay to send the same to me to correct or show proof of causes of delay, or anything else that may arrive, that the Department should be informed upon, which we take pleasure at any time in showing. You say there is no reports in Washington on file in regard to our delays, &c. I will stand up as a sir knight of the illustrious order of Saint John at Jerusalem, and swear we forward always our excuse with proofs attached, which I think Mr. French knows all about. I shall be in New York from the 25th of August until 15th of September. Any information Mr. Tyner or any one else in Washington may desire I will take pleasure in answering. I have free passes over nearly all the Eastern roads, and can come on at any time without much trouble except the time I cannot spare in latter part of September and first part of October, as our fall-trade is then in full blast. Our trade this year has been better than any previous one by \$34,000 more sales up to August 1. "How is that for high?" Real estate has been very low this year. I have bought, so far, \$60,000, and it is all paid for; do not owe but \$4,000 on the whole lot. I am now running the elevator. Have made \$6,000 in last two months with that. Hoping you will not allow your good name and character to be aspersed, I am, as ever, at your service,

H. M. SWEETSER,
Secretary.

P. S.—If you can get a leave of absence, can get you trip-passes to come out.
Yours,

HENRY.

Col. EDWARD F. O'BRIEN, *Washington, D. C.*

VINCENNES, IND., August 12, 1875.

MY DEAR SIR: Your letter of the 10th instant has been received. I cannot now attempt to recall Mr. Tyner's words. I wrote you all the facts soon after I returned exactly as I remembered them. The matter was fresher in my mind then than now. I had a considerable talk with Mr. Tyner, embracing several matters, and the case of your company was occasionally mixed in with these other matters. I do not remember that he said he was going to annoy you in every way he could. He insisted, however, that you had received money at different times to which you were not entitled, and that he was going to have an overhauling of some kind if he could. I suggested that I did not think he could open up accounts after they had been settled. He said that was a question he was going to submit to the Postmaster-General when he returned, and it was one which would probably be referred to the law-officer of the Department (Judge Spence) to decide. He spoke two or three times about there being something wrong with the clerk in charge of the accounts, and that he would have to go unless he could make some very satisfactory explanation. He did not charge that your firm or, rather, company had been tampering with him, but intimated that somebody had been. It may be that Mr. Tyner considered what he said in confidence, and not to be repeated. I did not, however, so understand it. I asked him for the figures, or to what he claimed you had been overpaid, to show you. He gave them to me to show to you, as I understood it. I do not, however, want any question of veracity between Mr. Tyner and myself. We have always been, personally, friendly. I only dropped in to see him as I did as a matter of accommodation to you. General Markland, now of Washington City, but lately special mail-agent for Indiana, was present, not at the time while I was talking to Mr. Tyner. Perhaps Mr. Tyner has changed his mind, and concluded to drop the matter. If so, you can, I should think, afford to let him do so as to the old account.

Very truly, yours,

W. E. NIBLACK.

H. M. SWEETSER, *Evansville, Ind.*

EVANSVILLE, August 2.

In correspondence with McFerson, who has returned home, he states he recollects the matter of fines was carried before Colonel Routt and Postmaster-General Creswell, who, after hearing the facts, allowed the claim. It occurs to me, Colonel Routt can very easily place you right in this matter.

Respectfully, &c.,

G. J. GRAMMER.

WASHINGTON, February 17, 1876.

JOHN E. REESIDE sworn and examined.

By Mr. McMAHON :

Question. State your age, occupation, and present residence.—Answer. I am fifty-six years of age. I hardly know whether to term myself a mail-contractor or not; it has been my business all my life; I am not, however, engaged in carrying mails at this time. My residence is Philadelphia.

Q. State to the committee what experience you had in the matter of carrying mails, both of your own and under other persons.—A. I have been at it since I was fourteen years of age. I commenced under my father, James Reeside, and contracted for myself ever since I was eligible—about 1840. I have been a mail-contractor more or less since that time in my own name.

Q. State what efforts, at various times since the war, you have made to get mail-contracts, and with what success.—A. I commenced under Mr. Bell, both in bidding and for temporary service, but I had no success. When Mr. Dennison first came here as Postmaster-General I had an interview with him with Mr. James B. Price, with whom I was associated when the war broke out, in carrying mails in Arkansas, Louisiana, and running the Memphis and Fort Smith branch of the Butterfield Overland Line. Price came here after the war (he had been in the Southern confederacy during the war) and desired that I should go with him, as he was anxious to join me again in carrying the mails, to see whether I could not procure contracts, temporarily or otherwise, from Mr. Dennison, then Postmaster-General. I made application to Mr. Dennison, who asked me at what rate I would carry the mails that we had formerly carried before the war. I told him that I would do it at the old pay for the old service. I made some effort to get the routes at that price, but he declined to let them. The routes were afterward let to F. P. Sawyer, James B. Price, (this same Price,) and others, for a greater sum.

Q. State whether you had been in the South during the war or were in the North.—A. I was in the North. I left Little Rock the day that Fort Sumter was fired on, and came here and staid North, and never aided or abetted them in any way. Mr. Sawyer afterward, in conversation, told me that Governor Dennison had appointed him special agent, as well as given him contracts, and had given him blank commissions to appoint postmasters in that section of the country, which he did. Failing in that, I applied no more to Mr. Dennison. I afterward made application under Mr. Creswell, having been introduced to him by Mr. Samuel M. Shoemaker, of Baltimore, of the Adams Express Company, and had several conversations with Mr. Creswell about reforming some abuses that had crept into the Department in regard to the carrying of the mails by Wells, Fargo & Co., and Ben. Holliday, for whom George Otis was the agent at the time that George W. McLellan was Second Assistant Postmaster-General. After several interviews with Mr. Creswell, I noticed a change in his manner, and I did not return. I had bid for the mail from the end of the Kansas Pacific Road to Denver that had been carried by Wells, Fargo & Co., and had underbid Wells, Fargo & Co. a very small sum—not quite \$100—but I am not positive about that. The route was marked “unnecessary”—suspended for being unnecessary. I thought very strange of it, because it had been a route run for many years by Wells, Fargo & Co., as there were various military posts on the line; they were building the Kansas Pacific Road, and large numbers of people were employed in the construction of it, and it seemed strange to me that under the circumstances they considered the route unnecessary. I saw Mr. Childs, who was then in the Post-Office Department, and he said that the Postmaster-General had made up his mind not to let the route, and it was useless for me to say anything more about it. Mr. Otis, who was the agent for Wells, Fargo & Co., met me and asked me what I would take for my chances of getting the route, as they had the stock on the road and the stations, and it would be a considerable loss for them to lose it. I told him that the route had been marked “unnecessary,” and, of course, I had nothing to sell. He asked me if I would take \$2,000 for my chances. I told him, “If you are disposed to give it, I will take it.” He then said, “I will give you \$1,000 cash and an order or an obligation to pay you \$1,000 when the route is accepted to you, if you will use all your exertions and influence, as we will ours, for the purpose of secur-

ing the route for you." I accepted it, took his \$1,000, and took his obligation. I used all the influence and exertions that I could; they did so likewise. Mr. Barney, their principal man in New York, came on several times; and Mr. Shoemaker, of Baltimore, several times, and used all their influence with Mr. Creswell to get him to accept my bid. They induced the general commanding the department to assist in trying to get it, but they failed to do so; my bid was not accepted, but the route was let afterward, within a year, to a man named Jack Hughes, who ran it until the railroad was finished to Denver. I made no more exertions under Mr. Creswell. When Mr. Jewell came into office, I called upon him shortly after he arrived, and went in without an introduction, merely sent my card in, introduced by nobody, and told him that I had come to talk with him upon the subject of reforms in his Department; that I had come introduced, but from my long knowledge of the business as a contractor I thought I could give him some information that would be valuable to him and to the Government, whereby he could save a large sum of money, and attain equally as good or better service than he now had. I told him that I did not come to him entirely disinterested, of course, but I hoped to reap some advantage from my information, and that if I could perform the service for him in the manner that I spoke of, and the law permitted him to make contracts with me, I trusted he would give my applications consideration. He was very cordial with me, seemed much pleased, and asked me if I would give him that information. I told him I would do so whenever he desired it. He then said that he would direct the janitor to admit me at any time after office-hours, and he wished that I would call that afternoon. I did so, and commenced with what was then a matter that I had in view, the service between Cedar Keys and Key West, Fla., with an extension to Havana. I had a memorandum, which I afterward gave him, showing the service, once a week from New Orleans by Mobile and Cedar Keys to Key West, which had cost the Government about \$76,000, and was then costing them \$66,000, by a contract with, I think, the Alexander line out of New York, for \$32,000; one out of Philadelphia for the same amount, and one out of Baltimore for about the same amount. I have mislaid the copies of the memoranda that I had, and I now speak from my best recollection, but it can be verified by reference to the books as to the amount of service then on those routes for that amount of money. I think the Alexander line was once a week out of New York; the Philadelphia line fortnightly; the Baltimore line twice a month. There were also two small contracts, one from Cedar Keys to Tampa. I think that was three times a week, but I will not be positive; the other, twice a month from Tampa to Key West. They aggregated over \$150,000; considerably over that. It may be that, omitting the little coast-routes, it amounted to over \$150,000. I made him a proposition to run two direct trips from Cedar Keys to Key West, thirty hours to the trip. Having made a number of propositions for the same service at that and subsequent periods, I don't recollect now what the sums specified were in each proposition. They are on file in the Department, however, and can be had.

Q. Name the largest sum, if you remember it.—A. I think it was in the neighborhood of \$70,000—a little inside of \$70,000 for that, twice a week, and thirty hours to the trip. I made several propositions, and made memoranda, and did not charge my mind with them, and they are mislaid; but the propositions are in the Department, and you can get them now. He seemed to be very much delighted with the idea of saving about \$100,000 a year, and ask me if he had the authority to make the contract. I told him that he had, and that I would show him the law, and I showed him section 264 of the postal laws, page 49, which reads, that "the Postmaster-General may contract with the owner or master of any steamboat plying upon the waters of the United States, or of any steamship or other vessel plying between ports of the United States, for carrying the mails for any length of time less than four years, and without advertising for proposals therefor, whenever the public interest will thereby be promoted; but the price paid for such service shall in no case be greater than the lowest price under the last preceding or then existing regular contract on the same route." He referred that question to his law-officer, Judge Spence, who decided that he had the right to contract, and so told him in my presence. The reason I called his attention to the existence of that law was, that in putting vessels on to run between these points we could not afford to put them on for a shorter period than just within the law—three years, or three and a half, or four years, when the new contracts would be let in Florida. We could not afford to do it for a year or two. He asked me to give him the memorandum, which I did. The next morning I called, and he told me that he was going to the cabinet meeting and to call and see him that afternoon when he returned. I did so, and he seemed to be very much gratified and delighted, and said that he had shown the proposition to the members of the cabinet, and they were very much pleased with the idea of the saving. I took the liberty of saying to him at the time that I did not think he could let me have that contract after having shown it there, and told him that I thought that the influences of the steamship men, who would certainly get wind of it by his letting it be known before he made the contract, would very likely defeat the object he had in view; that, as he was not then confirmed, I did not think it would be prudent for him to make a contract with me until he was,

for the New York Senators, the Pennsylvania Senators, the Maryland Senators, and the Louisiana Senators would, in all probability, be opposed to it, as it took up the contracts of their constituents, and might operate against him in the Senate. He coincided with me in my views in that matter, and we let the matter rest until after he was confirmed. During the time when I was calling upon him, we had several conversations in regard to reforms otherwise in his Department. He asked me if I knew of any other cases where the Department could be materially benefited by changes. I told him that I knew that the Mississippi River service could be re-organized with great profit to the Department, and that I thought a vast deal of service on land, particularly in the Territories, could be. That there were a number of steamboat routes along the coast that could be dispensed with, as the offices supplied by them received land-supplies oftener and quicker than they could by steamboat. He sent for Mr. Woodward and introduced me to him, and said to me, "Will you go over these matters with Mr. Woodward, and point them out to him? Of course I am inexperienced in the matter, and haven't time from my other duties to give special attention to these things, and I will take it as a favor if you will do so with Mr. Woodward; and anything that you say to Mr. Woodward is the same as saying it to me, as he has my confidence in every way." I wish to remark here, gentlemen, that while I am saying these things, I feel satisfied that Governor Jewell always did intend to do it. He came here, it is my firm belief, with the full intention of carrying out reforms in everything that he spoke to me about, and everything that I mentioned to him, and showed him what I conceived to be either extravagance or fraud. I thought, and still think, his purposes were right. I sat down with Mr. Woodward in the office, and at his residence, 411 Fourth street, during the day, and as late as 11 o'clock at night, at his residence, and went over the books and memoranda made from the books, and showed him where a vast many reductions and improvements and changes could be made that would save large sums of money to the Government. I gave him the memoranda and he made a great many himself. I remember a few of the routes now. One was a route from here to Norfolk, down the Potomac River; they never had any use for; it was giving that much money away. Norfolk had a mail by way of Richmond and Petersburg by rail, and a daily mail from Baltimore by boats. Besides this the Potomac River mail ran at least once or twice a week. He said he would take them up. There was another route from Baltimore direct to Fredericksburgh, Virginia, during the season of navigation. When he came to look at that, he asked me why it was that such a route as that was let. I told him my presumption was that it was because the boat, *Wenonah*, was owned by Jacob P. Tome, who was a relative of Mr. Creswell. He said that he would take that up. There were several small routes in Florida, one on the Suwanee River. I then pointed out to him in the steamboat service where there were three contracts on the Mississippi River, from the mouth of Red River to New Orleans. They said they would look into these. When going over those matters with Mr. Woodward, I made a memoranda and he made them. He retained all those four that I made and also his own. Mr. Jewell, in the mean time, asked me if I knew of a man that he could get that he could depend upon as a special agent, for I had told him that he had some special agents about him that I thought were no more than spies upon his own actions. I told him I did know a man that had formerly been in the service of the Government and was considered the best special agent they ever had. He asked me where he was and what his name was. I told him his name was Thomas P. Shallcross; his residence, Wheeling, Virginia. He asked me to write to Shallcross, to know whether he would accept the position. I did so, and received his reply that he would. I showed that letter to Mr. Jewell, who said he would appoint him. I mentioned the fact to him that Shallcross had always been a pronounced Democrat and that very possibly he might prove objectionable to Mr. Boreman, then Senator from West Virginia, as I knew he had been active against Mr. Boreman. He said if he was a good man he didn't care if he was twice over a democrat, he would appoint him. A couple of weeks after he told me, "Beside, I cannot appoint Shallcross just now, because Mr. Boreman and other Senators have been here, and Mr. Boreman said he would make a personal matter of it if Mr. Jewell should appoint Shallcross, who had been a pronounced enemy of his in Western Virginia;" but he said that Mr. Boreman would be out of the Senate after the 4th of March, and he would appoint Shallcross. I wrote that fact to Shallcross as a reason why he would be so long delayed in getting his appointment, and the matter remained until after the 4th of March, when Shallcross was appointed, and he is now in the service of the Department, and I am happy to say that he has commended himself to Mr. Jewell and every one about the Department. Mr. Woodward told me that he was the best agent they had; that he knew more than all of them. Then Mr. Jewell was confirmed, and after that came up this Florida question. He told me he could not make the contract with me then; that Mr. Roberts had claimed that he had vested rights, and that he had come to the conclusion to invite Mr. Roberts and Messrs. Morgan and Mallory to bid for the mail, "and," said he, "of course you will be invited to bid also;" which I was. I told him I thought it was pretty hard that he should give that patent

away to other people. He replied that it could not be helped. I then told him, "You know the kind of service you want; I presume you want the two trips a week, fast service, with the extension to Havana." I bid for that and was the lowest bidder; in fact I believe I was the only bidder except Mr. J. K. Roberts. Mr. Woodward told me that was the service they had concluded to put on the route, because they had arranged to supply the way-offices between Cedar Keys and Punta Rassa, including Tampa Bay and Charlotte Harbor, and places of that kind, by land. My object and the object of the Department, when I explained the matter, was to make a fast mail to Havana—faster than could be made from New York, and certainly faster from every other part of the United States, because from Cedar Keys the railway connections would put a letter from Saint Louis to Cedar Keys nearly in the time that it would take from Saint Louis to New York, and the time would be gained of running from New York to the same latitude as Cedar Keys. The route, however, was given to Mr. Roberts, one trip, fast, direct to Key West, and the other to supply the coast offices. I remarked at the time to Mr. Jewell, that that service would be of no use to him, for it virtually amounted to once-a-week service, as the vessel running the fast trip would overtake the vessel making the coast trip, and both run into Key West the same day. He said if that was the case he would annul the contract; that he would send a special agent to Cedar Keys to stay there and see if such would be the case; and if so, he would take up the service and relet it. He then said to me, I want you to take hold of the Mississippi River service with Mr. Woodward, as you have failed to get this. See what you can save on it, and if you bring me a steamboat-man here that is owner or master of a steamboat, and he will carry that mail, as you say, for less than \$100,000 three times a week between Saint Louis and New Orleans, supplying the way-offices, I will at once make a contract with him. In going up the street I met Mr. Gibson, whom I had known from boyhood, and asked him where Mr. Jacobs, of Brownsville, a very large steamboat-owner, could be reached. He said he would telegraph to him, and did so, to come here. He said he would let me know when he heard from Mr. Jacobs. After several days, not hearing from him, I met Andrew McKee and mentioned the matter to him, and he was with a gentleman named Polk, from Kansas City, who said that he knew steamboat-men who would engage in that at once; that they were interested in the Anchor Line, between Saint Louis and New Orleans, and that he would telegraph at once to Mr. Laveille, of the firm of Laveille, Warner & Co., who keep the Southern Hotel—both of them had been steamboat-captains. He received a reply from them, stating that they would engage in it, and that their representative would leave immediately for Washington. Before I go further, I want to say that I had mentioned the matter to Andrew McKee before, and that he had telegraphed to Jno. A. Scudder to come here; that I also mentioned the matter to a gentleman named Delaney, who also telegraphed to Scudder to come here. They both told me that they never received any replies to those telegrams. That is the same John A. Scudder that you examined here.

By Mr. CANNON:

Q. Did he represent the Anchor Line?—A. No, sir; another line. The reason I had telegraphed Mr. Scudder was this: I knew that he had bid for the mail-line, and that his bids had been passed by, and the routes given to Peterson; and that he was carrying the mails for a less sum than Peterson was getting. I desired to give Mr. Scudder an opportunity as a steamboat-man to come in and bid for the mail himself, and for this reason I got these gentlemen to telegraph to him that he might, with me, go to the Postmaster-General and make his own arrangements. No reply came to either the McKee or the Delaney telegram. To the Laveille telegram a reply came, that he would send his representative. Mr. Delaney was merely a friend of mine, who knew Mr. Scudder. McKee and Delaney both wished him to get it. I think it was that evening or the next morning that we received a second telegram from Laveille—Polk did, which he showed me, saying, "Capt. Jno. N. Bofinger leaves for Washington to-day, and will see you." When he arrived at Willard's Mr. Polk and I called on him, and I went immediately with Captain Bofinger to the Postmaster-General, and, introducing him, I said, "Governor, I have brought the steamboat-man now, to contract for that mail, inside of \$100,000 for three-times-a-week service from Saint Louis to New Orleans." He manifested an indisposition to close it at once. This all occurred, I think, during January and February, running along into March. The whole of what I have testified to occurred between the time that Mr. Jewell came here first and last May. When he showed this indisposition I felt a little nettled, and got up and took my hat, and was about to leave the room, but stopped and turned to him, and said that I wished he would state to Captain Bofinger what he had told me—that if I brought a steamboat-owner or captain here who would contract to carry that mail, three times a week, inside of \$100,000 for the service, he would make the contract with him. He said that he had said so. I then turned to leave the room, and said to them, "Well, gentlemen, you can make your own arrangements; I am out of it; I wash my hands of it." He called me back and said not to get angry about it. I told him I was not angry; I was hurt at the way I had been treated in both cases, the Florida case and this one; and

that it was because I did not want people to think that I had brought them here on a wild-goose chase; that I wanted him to repeat what he had told me, to Mr. Bofinger. He remarked that he did not know what he wanted on the Mississippi River. "I have so many things to engage my mind," said he, "that, absolutely, I do not know what service I want there; and I will take it as a favor if you will sit down with Captain Bofinger and Mr. Woodward, go over the books and routes, and tell me the kind of service that is absolutely needed, and then I will be ready to contract." We had a little talk at that time, Captain Bofinger and myself, with Mr. Woodward, and made an engagement with him to go to his house that evening—No. 411 Fourth street—and we there had quite a conference, and several evenings afterwards, in regard to the service, at which he spoke of the service as being three times a week, through, supplying the way-offices, the continuance of a little route from Saint Louis down some short distance, I think it was to Grand Tower, a little local mail there, that we concluded to leave untouched. Then we concluded to leave the mail on between New Orleans and Saint Francisville on different days from the line that ran through to Saint Louis. During that interview we went over the memoranda of the routes and the pay upon them, and Mr. Woodward surprised Captain Bofinger very much by telling him how the bids had been made, and especially pointed out one where a route had been accepted to the party at double the pay which the same party had bid for the same service. That was one of the river-routes—I do not remember whether it was Memphis to Saint Louis, or one of the routes to Memphis and Vicksburgh. It runs in my mind that the figures of the two bids by the same party, for the same service, were \$22,000 and \$42,000; and I think Mr. Woodward showed Captain Bofinger where the \$42,000-bid had been accepted in lieu of the \$22,000. He remarked at the time that that was a fraud; that it ought to be upset; and said he, "Peterson's contracts should all be annulled."

By Mr. CANNON:

Q. As I gather from the witness, it would appear that the lower bid was disregarded and the higher bid accepted. Was that it, or was it that the lower one was accepted and failed, and that the other was for special service?—A. It was, that two propositions had been made by the same party, and the lesser proposition was passed by and the larger one accepted. That was the idea that he conveyed to Captain Bofinger and myself.

By Mr. MCMAHON:

Q. Do you know who was the contractor?—A. That I forget. I think it was Peterson's bid that was accepted; however, the books will show that. Captain Bofinger had several consultations with the Postmaster-General after that, he told me, with the view of getting the service, but never could get him to an understanding. Mr. Barton Able was here at the time, and Captain Bofinger told me a few days afterward that the Postmaster-General had contracted with Mr. Scudder, through Able, for the transportation of the mail between Saint Louis and Vicksburgh; that he had made up his mind to disregard his advertisements entirely, and make contracts with the steamboat-men without waiting for the advertisement. That was from Saint Louis to Memphis and Vicksburgh. I think he made just one proposition to take the mail all the way through between the two points, I think tri-weekly service, and I think that included that little route above that I spoke of. I cannot state the price. The contract-books will show that about the same time he made a contract with J. J. Brown, who had been a subcontractor for Peterson, from New Orleans to Saint Francisville, without waiting for the advertisement, and Captain Brown told me that he got \$10,000 a year for the service. That left the route from Vicksburgh to New Orleans, and Captain Bofinger spoke of trying to get that, but told me finally that the Postmaster-General had telegraphed to Leathers, Tobin, and Cannon (three of the largest steamboat-owners there, each one owning his own boat) to come on so that he could close the contract. Leathers and Tobin came, Cannon did not. I went to the Department with them, and the Postmaster-General decided to hear a gentleman named Parker, who represented a man named Draper, who claimed that as the Postmaster-General had advertised, and he had bid under his advertisement, his proposition should be considered. The result was, that he let the route to Draper. This consultation was before the bids were opened. It may not have been before they were actually opened, but it was before they were declared. He let the route to Draper for, I think, \$27,000 and some odd hundred dollars. Draper was not a steamboat-man; he was a speculative bidder, bidding all over the country. Captains Leathers and Tobin failed to get the route. Draper had no boats, and failed to put the service in operation, and I saw the Postmaster-General after he failed, and asked him what penalty he had inflicted upon him for failure. He said he had forfeited his check, and would charge the difference up between that and the price at which he had let the mail. I suggested to him that as Draper had bid largely, and had quite a number of bids up, why did he not keep all his checks. He said that the law would not permit him to do that. Draper was afterward accepted upon a number of routes, some of which are in Texas, his checks given up to him. He sublet those routes to other parties and they are collecting the pay, by powers of attorney executed by him, at this time.

By Mr. CANNON :

Q. The difference never having been collected of him?—A. I do not know of my own knowledge, but I am informed that the difference between the Draper bid and the price they now pay Leathers and Tobin, never was charged to Draper, and no action taken against Draper, who has been charged to transportation. That you can find out.

Q. With whom was Draper associated and connected?—A. With Parker, who was one of the Barlow, Sanderson & Company men, formerly a partner of Barlow, Sanderson & Huntley in their territorial routes. During the time we were talking, before this letting came off, which is more than a year ago, the Postmaster-General asked me if I knew of any way by which this straw-bid system could be broken up. I told him that I knew but one way to do it, and that was to repeal all this legislation that had been had under Mr. Creswell's administration, of putting up checks and giving bonds, &c., which was virtually in the interest of the rich against the poor, and to take back to himself the discretion of letting routes to any parties that would take them at a fair price after the accepted party failed to contract or to put the service into operation. I drew up a little sketch of a law, which I gave to Mr. Woodward, and also a copy to Mr. Jewell, which would give him the right, after the accepted bidders failed, of offering it to any party outside who would take it at that price, and so on, if he had to follow the list of bids which he could go on up *seriatim*, give each man a chance, and then contract with an outside man if that man did not take it. He said that he would have it introduced, but I heard nothing of it until I heard of its being introduced this present session. When these frauds and counterfeit-stamp affairs were brought up, Mr. Woodward asked me about it. I told him I knew nothing about that and what they had been doing, except what Sawyer had told me had been the case, that this man Kittle had been one of the prime movers in it. I told Mr. Sawyer to go and see Mr. Woodward. I told Mr. Woodward that Sawyer could tell him about Kittle's carrying the mail down there, or not carrying, rather; about having a contract, receiving full pay for it, when he carried the mail but twice a week instead of six times, for which he was paid. Mr. Woodward told me that Sawyer had told him that the postmaster had made reports upon his register of Kittle's not carrying the mail; charges were sent on here, but, when he examined them in the inspection bureau, he found that the registers there set forth that the mail had been regularly carried six times a week. He then sent down a young man named Hopkins to look into that matter, and, when Mr. Hopkins returned, I asked him what success he had had in ferreting that matter out, and he said that Mr. Hopkins had told him that he had reported and mailed his report there, but it had never reached the office here, and that his satchel containing a copy of that report had been stolen from him on the railroad between New Orleans and this point.

Q. State what further conversation you had with Mr. Jewell, if any, about annulling Peterson's contracts, and whether they were annulled.—A. Well, sir, he expressed himself in very strong terms in regard to the amount of them, and said that he would immediately suspend his pay, annul his contracts—that he would not put up with any such frauds as those.

Q. State whether you and Mr. Woodward went over the Peterson routes and found that the same route was covered by two contracts where there was only one service?—

A. Yes, sir; that was the case between New Orleans and the mouth of Red River. There were three contracts on that route between New Orleans and the mouth of Red River; one was a through route by the Red River to Shreveport; one was the route to Saint Francisville, and the other the route to Vicksburgh. Mr. Jewell was very indignant about it, and said that he had given Peterson quite a lecture in regard to the fraudulent manner in which he had got his routes. Mr. Woodward afterward told me that Peterson's pay was suspended. I afterward met Dr. Peterson; I was standing in Willard's Hotel, and Peterson came up to me and very rudely remarked, "I suppose you think you have played hell with my routes." I asked him what he meant. He says, "You have been trying to get my contracts annulled." I told him, "Yes, I had;" that I had taken a good deal of pains to expose what I supposed his rascalities were, and that I should still continue to do it until I got the Postmaster-General to annul them if I could, if he had not already annulled them. He replied, "You will not succeed." I told him I did not think he was the Postmaster-General. He says, "I will show you whether I ain't;" said he, "You will not get anything; I will take damned good care of that." I told him I thought that was a matter over which he had no control. He then remarked to me that I had told General Hovey, his particular friend, that his pay was suspended and his contracts annulled, and that if he had his name upon his paper he had better take it off. I simply told him that that was a lie, if he or anybody else had said so; that General Hovey had come to me and asked me whether Peterson's pay was suspended, and I answered that I understood it was; that that was the only conversation I had with General Hovey upon the subject.

Q. What was the connection between General Hovey and Peterson?—A. General Hovey was his agent here managing his affairs with the Department. That I under-

stood from General Hovey, and Mr. Peterson too. General Hovey was Peterson's attorney, I judge.

Q. Have you told everything that Peterson said to you about his influence with the Department, and his power?—A. No, sir; he said this: that he had power, that his contracts would not be annulled. I asked him, "Where have you your power?" and he said, "Well, I know that myself; I shall not tell you." He was very angry.

Q. State whether, in any conversation between you and the Postmaster-General, you gave the Postmaster-General any information as to the influence that Peterson had here?—A. Yes, sir, I did. When he spoke of annulling Peterson's routes, I told him I did not think he could do it. He asked why. I told him I thought that Peterson would bring influences to bear that would prevent it. He wanted to know why I thought so, and I told him that I thought Peterson had some very influential friends, and that I thought probably General Grant himself might interest himself so far as not to permit him to annul the contract; that Major Beckwith (who, I think, was Commissary-General, or Acting Commissary-General, at the time) was a particular friend of Peterson's; that I had been informed that Major Beckwith was receiving a portion of Peterson's pay; that warrants had been issued in his favor against Peterson's pay; and told him that he had better send for a statement of Peterson's accounts, and see if he could verify that fact. He did so, and told me that it was so, that warrants had been issued in favor of Peterson's pay.

Q. The Peterson contracts were not annulled?—A. I think not, sir. I never heard of their being annulled. I was told that they were permitted to expire on the 30th of June.

Q. Did you give any other names besides Major Beckwith's name and General Grant's in that conversation?—A. No, sir, I did not.

Q. What was your own or the common understanding as to the influences that were backing Peterson, besides those names you have given?—A. Well, I understood that Morgan L. Smith's influence was very great. I understood that Dr. Peterson got his contract from Giles A. Smith for the route from New Orleans up Red River, which he shipped by the boats as they went out; I understood that to be so, and I inquired at the time why it was so, that he could get a contract, a man who had been a surgeon in the Army, and not the owner or master of a vessel.

Q. He did not own a vessel at the time?—A. No, sir; not at that time; and I don't think he ever has owned anything, from information derived from steamboat-men, and I have inquired very closely about the matter, because I felt that such contractors as that ought to be run out of the country, if it was possible to run them out, not only him, but a great many others. Mr. Creswell gave contracts to men that he knew had been carrying the mails for the Confederate States; a good many such men came here and got contracts, and I naturally felt very hard, that I, who had lost a great deal of stage-stock by adhering to the Union, was entirely ignored, and I wanted, of course, to expose these matters. And as to a good many of the contractors now, if you will send to the Post-Office Department and get the confederate archives, you will find that those men were confederate mail-contractors, regularly paid by the confederate government.

Q. They are required to take an oath before they are employed as mail-carriers, are they not?—A. Yes, sir; but that does not make any difference. They will take the oath and steal it from the records afterward. Sawyer took oaths, and I do not think you will find them on file. I am told you will not. It is susceptible of proof that he carried the confederate mails. The confederate archives are in the Post-Office Department, and they show it. The day before yesterday the subject came up in conversation, and a gentleman in the company denied it, and I turned to the gentleman who has charge of the archives and asked if it was not so, and he said that it was; that there was evidence to show that those parties had received pay and had carried the confederate mails regularly. When I left Arkansas, I think it was the 16th of April, 1861, the Arkansas Stage Company, as we call it, was composed of Peter Hanger, William Rapley, Richard Gaines, James B. Price, Joseph T. Reeside, my brother, and myself. I was at Little Rock when they fired on Sumter, and I abandoned everything I had there and got home as quickly as I could. Mr. Gaines came on a few days afterward, and we collected the pay for the quarter ending March 31, 1861. The routes were standing partly in the name of Hanger, Rapley, and Gaines, and partly in my own name. I collected that money and handed the *pro-rata* proportion of it to those gentlemen, Gaines, Rapley, Hanger, Price, and my brother, who remained there and went into the confederate army. Those parties were afterward paid in gold. There was a large sum of money in gold in the treasurer's office at Little Rock at that time, and those parties were paid upon the Hanger, Rapley, and Gaines contracts, by the State of Arkansas, out of that money, in addition to the money I had collected here for them. Then, I do not know whether it is a fact, but I have understood it to be so, that the confederate government again paid them for the same service. The fact in regard to that can be ascertained by examining the archives here.

Adjourned.

WASHINGTON, *February 18, 1876.*

JOHN E. REESIDE recalled and further examined.

By Mr. McMAHON:

Question. You can pass now from the Mississippi routes to any abuses or irregularities existing in any of the territorial or western routes to which you called Postmaster-General Jewell's attention, and state what was done.—Answer. In addition to those routes on the Mississippi, the Peterson routes, I wish to mention that I recommended the suspension or the annulment of the service on the Arkansas and White Rivers as unnecessary, because all the offices were supplied by land, and I understood from Mr. Woodward that they were annulled. In regard to routes, territorial as well as in the State, I called Mr. Jewell's and Mr. Woodward's attention to the fact that by looking at the books I had ascertained that a large number of routes had been let out, at high rates, to the old contractor after the failure of the lowest bidder, without contracting with any of the intermediate bids between the failing bidder and the contractor to whom they were let, and the fact that those routes were let to men, Sawyer and Barlow and Sanderson, and people of that kind, who had, as it were, the control of the whole matter. I don't know whether you may term them the ring or not. I went over the routes with Mr. Woodward, and showed him a number of them, and after May last I declined to go on any further with the examination of those things—those old routes that had been let in the Territories and States—simply because I saw that nothing had been done, and I had got tired of remaining here paying my own expenses and passenger-fare between Baltimore and this point, and not being re-imbursed in any way for those expenditures, and on account of the apparent indisposition to correct anything that I had brought their attention to.

Q. State whether, to your knowledge, contractors had had routes on which they had received their pay, and are receiving they pay, when they were in default to the Government upon other routes.—A. Yes, sir; there are instances of that kind, like the case of Draper, which I testified to yesterday, where he failed between Vicksburgh and New Orleans.

Q. Do you know anything about the case of Hinds?—A. There was the case of Hinds—I was informed that he had a contract in California; I think between Prescott and Florence, (it may be an Arizona contract)—where a change was made on the books, changing the residence of Hinds from Selma, Ala., to Washington City, appointing Mr. Barlow as his attorney, the contract still standing in Hinds's name. That is J. J. Hinds, the same that was prosecuted. It struck me as being singular, because his contracts, I understood, at the last lettings had been set aside.

Q. Did you discover anything in the land-routes, or did you stop before you had got into them very fully?—A. Well, I discovered, what I called their attention to, the fact that routes had been let to old contractors, passing various other bidders, who were not only contractors at the time, but had bid largely all over, and were frequently accepted on other routes, and that these larger routes were given to the parties that I have indicated—Sawyer, among others—at much larger prices than other good contractors had bid for. I called their attention to that.

Q. Did you ever have any conversation with Sawyer as to the amount of money that his influence in Washington cost him?—A. Yes, sir; Mr. Sawyer told me that he had paid out considerable sums of money.

Q. Do you know of his having any contract upon which he was receiving by the year about \$300,000?—A. There was a route from San Antonio to El Paso that was originally taken at about \$30,000, I think in the name of Bates. That route was increased, by increase of trips, the speed expedited, and extensions, to over \$300,000.

Q. Are you familiar with the route?—A. Yes, sir; with that country, generally, I am.

Q. What would have been fair compensation for the running of that route as he had it?—A. I should think \$125,000 would have been a fair compensation—liberal. The same route now—a portion of the same route now, more than a third of it, is now carried for \$31,000; and I offered to subcontract it from that party at \$25,000. It was let, I think, to a man by the name of Grant. It is a route from Fort Concho to El Paso. He failed after running it with Mr. Sawyer's stock for about thirty days, and then the Postmaster-General let it to a man in the city here by the name of Coffin, who bid for Kernes & Roots.

By Mr. CANNON:

Q. What was Grant's bid?—A. I think \$18,000. The records will show you, however. It was at the last spring's letting. I don't know whether I testified yesterday that in the interview that I had with the Postmaster-General in June, I called his attention to what I had learned was going on in Saint Louis of an interview between Mr. Sawyer and Parker, and those people. I saw him in June, and told him that I had learned that Mr. Sawyer had gone to Saint Louis—I knew the fact—and he had there met Mr. Parker, who was managing contracts that were bid in by Draper and Grant—in other words, I judged that Draper and Grant were Parker's men to bid.

Most of the routes bid on by Draper and Grant were routes that were run at the time by Mr. Sawyer, whose contract would expire the 30th of June. They arranged with Mr. Sawyer to carry the mails for thirty days for them. I told the Postmaster-General that I thought that was but a plan by which the parties would get up their checks, and that the mails would be thrown down as soon as they did so. Mr. Sawyer returned, and I asked him about it on the street. He said, yes; that they had employed his stock to run the contracts until the 1st of August, and he had left the stock on the road to run the route. I asked him if he had left it on the route between Concho and El Paso—the four hundred and seventy-five mile route. He said he had. I said, “Do you take the pay, \$18,000?” “No,” he said, “I do not take that; Parker has made provision to pay me what I ask him for performing the service.” In August I met the Postmaster-General again, and asked him what had been the result. He told me that these parties had carried the mail temporarily, and then thrown it down after the checks had been surrendered; and he was then preparing to re-arrange the service. In the mean time there had been a good deal of delay about starting the same service in consequence of the Kittle & Hinds affair, their being mixed up in this counterfeit-stamp business, or something like that, and he had passed up to other parties—I think Kinzey and Coffin were two of the principal bidders. He told me that he was very much surprised at the manner in which Mr. Sawyer had acted; that he had given him a pretty good talking to in consequence of his endeavoring to defraud the Department by running the mails for these parties for thirty days until they could get their checks up, and that he had told Sawyer that he should not have another contract, and that if he could prevent it he should not get work for his stock anywhere; that he had better turn it out on the prairie. Sawyer told me the same thing; that the Postmaster-General had said that to him.

Q. Do you remember about what time Mr. Sawyer died?—A. I really do not. It was on the 15th of the month, what particular month I don't remember. I know when I heard it, I heard that he had his life insured for a large sum of money, \$120,000 or \$130,000. Mr. Sawyer had been a good deal embarrassed. Although he had received very large mail-pay, he was very hard up for money, (he told me so,) and I learned that his life had been insured for a very large sum of money, and I was glad to learn it on account of his family. I mentioned the circumstance to Colonel French, of the Post-Office Department, and he said that it was not for anything like that amount; that he had policies of insurance upon Sawyer's life for about \$40,000 in companies that he was the agent for, but that Sawyer had permitted his policies to run out on the 9th of the month, when he died on the 15th. I asked him the reason why, and he said he was too hard up to pay the premiums. It was some time last fall.

Q. Do you know anything about any other mail-contractors being insured with Colonel French?—A. Not personally.

Q. Do you know from conversation with them?—A. I know from conversation with others, who spoke of parties having their lives insured with him.

Q. Give the names of those who were insured, according to report.—A. I understood that Mr. Barlow was, and that Mr. Vail was, and Mr. Parker. There were others, whose names I don't remember just now.

Q. Have you any information in regard to the Kittle matters? We have had a good deal of testimony here about them, and I didn't know but you might know something about them.—A. No more than Mr. Woodward told me, and what I suppose he has testified to.

Q. State what Mr. Woodward said to you about it.—A. He told me when they first discovered the fraudulent bids that had been put in and the names of the clerks that he thought were concerned with them, Floyd and Colt, and the messenger, Rothrock, I manifested, I suppose, a good deal of surprise. I had known Colt ever since he was a boy, and had reason to think that he was a very different man from that. I knew his father, an old clerk, many years ago, and this boy had grown up in the Department, and I was very much surprised and sorry to think he had been engaged in this matter. Floyd I was not surprised at, because Sawyer told me that he had paid Floyd \$100 a month.

Q. He had two positions then, one under the Government and one under Sawyer?—A. Yes, sir; and that he quit paying him entirely, because he became so importunate in his demands for larger sums. Sawyer appeared to be very much troubled about it. He said he was bled continually; he did not tell me who by; he spoke to me freely about it; I had known him a great many years. And as to Rothrock, I was very much surprised, because I thought he did not really know enough to go into a thing of that kind. He was an innocent, half-witted kind of fellow. Mr. Woodward told me the mode in which he thought they had operated; thought they had taken those bids out and stamped them with that false stamp.

Q. Have you any reliable information or reliable report to give the committee as to the persons in official position who were backing these favored contractors?—A. I understood from Mr. Woodward that Senator West was backing Peterson.

Q. Give the language that he used, and the occasion on which that was stated to

you.—A. He merely mentioned that fact in the course of conversation. When we were going over these Peterson affairs, he said that Senator West was interesting himself very much for Peterson; and once I went into Woodward's room, and a gentleman (I didn't know him at the time) was speaking about the service between Memphis and Vicksburgh, and up the Arkansas River, and he manifested a good deal of interest and warmth about it; said that the service should not be taken off if he could prevent it; and when he went out I asked who it was, and he told me it was Senator Dorsey. I did not know the Senator.

Q. Was that one of the routes that you had investigated and found unnecessary?—A. Yes, sir; a route where the exorbitant price had been paid to Peterson over the bid that Mr. Scudder had made.

Q. You have spoken of the persons backing Peterson—have you given all the names?—A. I have given all the names that have been mentioned to me in that way. I have heard others, but not in that way.

Q. What influences were backing Barlow, Sanderson, and Parker?—A. That I am unable to say.

By the CHAIRMAN:

Q. You spoke of a contract in California or Arizona, that was in Hinds's name; did I understand you to say that it was changed to Barlow's name on the books?—A. No, sir; the place of residence of the contractor, Hinds, had been changed, and Barlow recognized as his attorney in Washington.

Q. What time was that?—A. It is standing there now.

Q. Were you at the last letting?—A. At the last California letting prior to this letting, where they set aside all the Hinds bids for these fraudulent propositions. It struck me with surprise that the route should be standing in Hinds's name after the course of the Department in annulling all his last propositions—the routes that had been let to him at the last letting, on which he was the lowest bidder.

Q. State precisely what Barlow's connection with it now, is; what is his relation to the contract?—A. I really do not know; I presume he is running the route and drawing the pay. I don't know the fact, but that is my presumption.

Q. Tell us how that has changed—the manner of the change.—A. Under the law at present, a contractor has no right to assign his contract; it stands in his name. You cannot transfer your contract to another party, but you can make him virtually the contractor by giving him an irrevocable power of attorney to collect the pay.

By Mr. McMAHON:

Q. Well, the Government can deduct from the nominal contractor.—A. Yes, sir. That struck me as strange, that he being the contractor they would pay the sum due on this route to Barlow when Hinds was in default.

By the CHAIRMAN:

Q. How did Mr. French come to tell you about this insurance of Sawyer's?—A. Simply because I made the remark that I understood that Sawyer had his life insured for \$140,000. I did not know at the time that he had been insured with Mr. French. I merely mentioned it in conversation.

Q. Were you talking with Mr. French about these mail-contracts?—A. No, sir; but Sawyer's sudden death and the condition in which he had left his family. It was a casual conversation, in which I expressed my surprise at his being so short of money after having so heavy contracts. We were both talking about that.

Q. In what connection did Mr. Woodward allude to Senator West having exerted his influence for Peterson?—A. That came up when we were talking of the suspension of pay and of the annulment of the Peterson contracts, and of the influences then brought to bear to prevent the suspension or to restore the pay and prevent the annulment.

Q. State what he said about Senator West's influence; what kind of influence did he use?—A. He merely made the remark that Senator West was using his influence and interesting himself very much in favor of Dr. Peterson.

Q. To prevent the annulment of his contracts and the suspension of his pay?—A. Yes, sir. I had understood at the time that the pay was suspended by order of the Postmaster-General, and I presume it was with a view to remove that suspension that Senator West had used his exertions in favor of Dr. Peterson and to prevent the annulment of the contracts.

Q. Did he allude to any one else in that connection? Was Senator West the only person that he alluded to?—A. I think he was the only one that he mentioned to me.

Q. That was one of Peterson's routes which Senator Dorsey appeared to look after?—A. Yes, sir; that was the subject of conversation when I went into the room. I didn't know the Senator until after he went out, and I asked who that was, and Mr. Woodward said it was Senator Dorsey, and he was interesting himself in having that route remain undisturbed.

Q. I want the agreement back to the time when the Postmaster-General sent for

Woodward and asked you to assist him in investigating and looking up the Peterson contracts. You and Woodward had frequent conferences in regard to that, and it was in obedience to a request from the Postmaster-General that you would aid Mr. Woodward?—A. Yes, sir.

Q. I understand you to state that Mr. Woodward during that examination made memoranda himself of the failures on the part of Peterson to execute his contracts, and, having made those memoranda, expressed the opinion to you that Peterson's contracts were a fraud and that the evidence was sufficient to annul all his contracts.—A. It was not upon failures of Peterson to execute his contracts; it was from the fact that Peterson's bids had been accepted at such enormous prices, above the propositions of regular steamboat-men; that it showed that there was some favoritism or fraud in the acceptance of Peterson's bid, because they passed over such men as John A. Scudder and gave the routes to Peterson at a much larger price. And then the fact of Peterson having the service performed by these very people at a very reduced rate, which he told me he had ascertained positively by sending a special agent out there for that purpose, and that he thought under the circumstances, coupled with the fact that the Postmaster-General had the right under the law to contract with the master or owner of a vessel at any time whenever he deemed it for the public interest to do so, that he should take the authority and relet that service and annul Peterson's contracts.

Q. Do I understand you to say that the Postmaster-General stated also that they would be annulled?—A. Yes, sir.

Q. Was that declaration made after a report from you and Woodward in regard to that matter?—A. After this conversation occurred I never made a direct report to the Postmaster-General verbally.

Q. Mr. Woodward reported to Postmaster-General Jewell verbally in those conversations the condition of Peterson's routes as you have described them, and his declaration resulted from that conversation with Mr. Woodward. Is that the case?—A. Yes, sir; he told me that he intended to suspend Peterson's pay and annul the contracts—that they were frauds.

Q. State whether it was about that time that Mr. Woodward spoke to you about Senator West using his influence for Peterson.—A. Directly after that.

Q. Did Mr. Woodward express any belief at the time that Senator West's influence would control the action of the Department and prevent the annulment of the contract?—A. He was quite confident that the Postmaster-General would carry out his purposes.

Q. Did you ever have any conversation with Mr. Woodward at any time after this in regard to whether those contracts were annulled or not?—A. No, sir; nothing further than that he left me under the impression that his pay had been suspended and the contracts annulled, and I presumed that they were from the fact that Postmaster-General Jewell said he would disregard the advertisement and let the routes to steamboat-men, and he let one from New Orleans to Saint Francisville to Captain Brown, and one also from New Orleans over to Pass Christian, over Lake Pontchartrain, to a gentleman named Sorier, from New Orleans; he let those outside of the advertisement, and afterward let the Scudder route outside of the advertisement. I understood that the routes let to Sawyer and Brown, Brown particularly, were to take effect immediately, and from that I judged that that contract, which was one of Peterson's, had been annulled. I so understood from Captain Brown the evening that he left to go to New Orleans. I saw him at Willard's Hotel. That was, I think, in the latter part of February, 1875.

Q. What route was it that Mr. Woodward pointed out to you, where \$42,000 was paid when a bid had been made at \$22,000?—A. I do not remember whether it was from Vicksburgh to Memphis or from Memphis to Saint Louis. He said he had taken a list from the books.

Q. Did he explain himself in regard to the \$22,000 bid, how that was passed over, or what bid it was?—A. He said he could not understand how it was; that it was done under Mr. Creswell's administration, and he could not tell why it was so.

Q. Explain exactly what you understood him to mean by making that statement.—A. Well, I understood him to mean that it was a fraud for any one to pass by a bid of \$22,000, and accept the \$42,000 bid for the same service.

By Mr. WADDELL:

Q. And from the same man?—A. Yes, sir.

By the CHAIRMAN:

Q. That was one of Peterson's routes?—A. Yes, sir.

Q. Did you understand that the smaller bid that had been passed over was a bid by Peterson himself?—A. Yes; by the same party. That is what he laid so much stress upon; why it should be that the larger bid was accepted when the two were made by the same party, and he pointed to that as one reason why the contract should be annulled.

Q. Was the contract that he made with A. J. Brown the one for \$10,000 from Saint Francisville to New Orleans?—A. Yes, sir; Captain Brown told me that the Postmaster-General had agreed to give him \$10,000 for that service.

Q. He is carrying that mail now, is he not?—A. I understand so. He was at the last I heard of him. Captain Leathers told me so.

Q. He got the contract, without advertisement, for \$10,000?—A. Yes, sir; I understood that he made the contract in February, and I thought that the Peterson contract had been annulled at that time, and Brown ordered to go ahead with the service at that price; Brown so told me, and I do not know now but what that was the fact.

Q. Who is this man Draper that made a bid, and that the contract was awarded to from New Orleans to Vicksburgh for \$27,000?—A. He is represented as living in Kansas, but it is generally understood here among contractors and others, who profess to be acquainted with the matter, that he is one of the bidders for Parker. It has grown up lately here as a custom among the present contractors to employ other parties than themselves to bid for them.

Q. Parker, you say, is the same as Barlow, Sanderson & Co.?—A. He was formerly a member of that firm. I do not know whether he is or not, now.

Q. It was understood then that Parker and Barlow, Sanderson & Co. were the same thing, and I understand you also that Draper belonged to that ring?—A. Draper was connected with Parker. I do not know whether he was connected with Sanderson & Co. or not. I understood also that Grant, who bid on the route from Memphis to El Paso and failed, was connected with Draper. Roots & Kernes have their routes in the name of Kinzey & Coffin. They had 120 routes in Texas, and those were taken in the name of James A. Kinzey, of Illinois, and David A. Coffin, of this city. It has been a common habit of late for contractors to bid in that way instead of bidding in their own names. And then they take powers of attorney to collect the pay.

Q. What other contracts had this man Draper besides this one?—A. There were several awarded to him in Texas and elsewhere, and they have been sublet by him to the former partners of Sawyer. Those contracts still stand in his name on the books of the Department. There are some of them in Texas.

Q. The check that Draper filed under the new law, I understood you to say that the Postmaster-General said had been retained.—A. Yes, sir.

Q. To what account was the difference between Draper's bid and the other bid charged?—A. The usual plan was to charge it up against the account-current of the failing contractor if he had other routes, but I understood that this was charged to transportation.

Q. What do you mean by "transportation"?—A. Well, the general "transportation" account of the Government for the transportation of mails, instead of to the individual account of Draper. That was the route from New Orleans to Vicksburgh.

Q. Do I understand you to say that it has been the rule in the Department that when a man failed and became indebted to the Department on account of the failure to execute his contract, if he had other contracts they deducted from the others the amount of that failure?—A. Yes, sir; that was the rule under the old *régime* when I was a contractor before the war, and it has been since, I have been told.

Q. They did not act, then, on the idea that each contract annulled was to pay for its failure?—A. O, no. They generally suspended the entire pay of the contractor, and settled his account in that way.

Q. Who gave you information about this?—A. I got it from a gentleman in the Department.

Q. Was his position such that he would know what he was talking about?—A. Well, I presume it was.

Q. Who gave you the information?—A. I would really prefer not to state it, unless you insist upon it.

Q. What is the reason that you decline to answer the question?—A. I do not wish to jeopardise the gentleman's position at all, in any way; I think that the matter could be verified by examining into the account to ascertain whether it is the case or not.

By Mr. WADDELL:

Q. Does he occupy an official position?—A. Yes, sir; the gentleman did not volunteer this testimony to me. I asked him what had become of the difference.

By the CHAIRMAN:

Q. The books, you say, will verify the statement you have made?—A. So I am informed. It is very easy to get that account and see what has become of the difference, and see whether it has been charged to the account itself or to transportation. Then you have the record-proof.

The CHAIRMAN said he would insist on the witness answering the question.

Mr. LUTTRELL moved that the name be given privately to the committee by the witness.

The WITNESS. I would prefer, gentlemen, to give it for the benefit of the committee

alone. I feel a delicacy in giving the man's name to go out in the Associated Press, or to be scattered broadcast over the land. I would be perfectly willing that the committee should have it.

The motion was lost.

The CHAIRMAN directed the witness to answer the question.

A. Chase Andrews, of the Sixth Auditor's Office.

Adjourned.

WASHINGTON, *February 19, 1876.*

Continuation of the testimony of JOHN E. REESIDE.

By Mr. CANNON:

Question. You have spoken in your testimony of Postmaster-General Dennison declining to let certain routes to you. Do you recollect about what year that was?—Answer. It was the year that we got possession of that section of the country. I have really forgotten what year that was.

Q. Was it before the war or during the war?—A. I think it was before the war closed. It was immediately after, if not before; I am not positive about it.

The CHAIRMAN. The Mississippi River was in the possession of the Federal forces during the last year of the war.

By Mr. CANNON:

Q. Society was very much disorganized down there at that time, and the whole system had been broken up, had it not?—A. Yes, sir.

Q. Where were you living at that time?—A. Here.

Q. Were those land or water routes?—A. Land-routes that I proposed to take; they were routes that I had formerly been contractor for.

Q. Do you recollect the price for which you offered to do it?—A. The old pay; the books will show that.

Q. I believe you stated that they were afterward let to Sawyer?—A. Some of them were and some of them were let to Price.

Q. You and Price proposed to take them together?—A. Yes, sir; he came up here. He had been my partner prior to the war, and he thought it was a good opportunity to get back on our old routes, and he suggested it to me. I went with him to Mr. Dennison to make application.

Q. He and Sawyer got the routes afterward instead of you?—A. Yes, sir.

By the CHAIRMAN:

Q. Did they get them together?—A. Some of them. They were taken in each other's names; but they were interested together in running them.

By Mr. CANNON:

Q. At what prices?—A. I do not remember the prices now; the books will show. I noticed several that were let at larger prices than I had got.

Q. Did you notice whether any were at smaller prices or not?—A. I did not.

Q. Did Sawyer and Price live down there at that time?—A. They had been moving or had moved here. Sawyer did live in Texas during the war, and Price lived in Louisiana. Sawyer moved here just at the close of the war, I think, and has been living here since.

Q. You say that Sawyer stated to you that the Postmaster-General gave him power to designate postmasters?—A. Yes, sir.

Q. It was necessary, of course, that somebody should be appointed postmasters. The whole service, as I understand you, was disorganized just after the war?—A. I infer that it was from the state of affairs down there.

Q. You speak of making application to Postmaster-General Creswell in regard to the abuses of Wells, Fargo & Co. and Ben. Holliday, at the time McLelland was Second Assistant Postmaster-General. Did you bid upon those routes at that time?—A. No, sir; I bid upon the route from the end of the Kansas Pacific Road to Denver. That was one of Wells, Fargo & Co.'s routes. That is what was called the overland mail—the one on which the pony-express ran.

Q. Were the contracts regular lettings, or temporary contracts?—A. I think they were regular lettings.

Q. And you had not bid on them?—A. No, sir; I had not bid on those.

Q. You do not recollect the number of the route, do you?—A. No, sir; I do not. It was afterward closed up by the building of the Union and Central Pacific Railroads to California. I never charged my mind with all those things, simply because they were matters of record, and could be readily referred to.

Q. You did afterward bid on a route, however. You may state what route that was.—A. It was from the end of the Kansas Pacific Railroad to Denver, Colo.

Q. As the Kansas Pacific Railroad would be built out into the plains the route would be shortened?—A. Yes, sir; that was the peculiar case with all those routes.

Q. How far was the railroad completed at the time you bid upon it?—A. Either to Junction City or some point a short distance west of it. The books would show.

Q. I believe your statement was that the Postmaster-General discontinued it?—A. He suspended it, and refused to let it at the time, as being unnecessary.

Q. Then, it was, I believe, that you entered into an arrangement with George Otis that you would give him your chance on the contract for \$1,000?—A. He made the proposition to me to buy it for \$1,000. Said he would give me \$2,000 in case it was accepted, if I would use my influence together with his.

Q. You doubled in with all the influence you could both bring to bear to get the service restored?—A. We did.

Q. Did you ever get the other thousand? I believe you said you took \$1,000.—A. No, sir; it was contingent upon the route being put in operation; and I never got but the \$1,000.

Q. You speak of Jack Hughes in less than a year afterward getting the contract until the railroad was completed?—A. Yes, sir.

Q. Do you know upon whose recommendation or upon what showing he got the contract?—A. No, sir.

Q. Do you know at what price he got the contract?—A. No, sir; I merely saw the route was awarded to Hughes, and afterward I understood from Otis that Hughes was running it.

Q. Did you have any stock out upon this route?—A. No, sir; I did not.

Q. Did you bid for it with the intention of putting stock upon the road or making an arrangement with Otis or somebody else to that effect?—A. Usually where we bid on a route we bought the stage-line on the road; they were always very glad to sell out.

Q. You either bought the stock or made some arrangement?—A. By which the route would be started and put in operation.

Q. What was your condition financially at that time?—A. It was pretty good at that time; I was perfectly solvent.

Q. You bid upon this route with the intention of purchasing the stock, and had the ability to do so, as well as to perform the service yourself and not with a view of making an arrangement with somebody else to perform it?—A. O no, sir; I intended to put these routes in operation.

Q. After Mr. Jewell was appointed, as I recollect, you stated that you went to him and offered your services in making suggestions as to reforms in the mail-service and the routes?—A. Yes, sir. My first interview with Mr. Jewell was based upon the Florida route, with the hope that I could get a contract by showing that I could perform that service for much less money than he had been paying, by re-arranging that service.

Q. I believe you stated before, that you told him at your first interview that if you did these things you expected you would have some consideration in receiving mail-contracts.—A. I told him if I could show him the fact that he could save that much money, I thought he should give me some consideration in giving me the contract at my bid.

Q. Who was Second Assistant Postmaster-General at that time?—A. John L. Routt.

Q. Had you talked with Routt about it?—A. No, sir.

Q. I believe the Second Assistant Postmaster-General is the one who has direct charge of the contract bureau?—A. Yes, sir, he has directly, but in my intercourse with the Department as a mail contractor, I as frequently went to the Postmaster-General as I went to the Second Assistant.

Q. Ordinarily, the Second Assistant is responsible for it?—A. Yes, sir; he is the one who is at the head of that bureau.

Q. Of course the Postmaster-General, as I understand it, is supposed to be at the head of the whole Department?—A. Of course.

Q. But it would not be possible for any man to familiarize himself with the wants of the whole Department; he must depend upon his subordinates, as I understand, to a very great extent?—A. Yes, sir; that would be the case with any department of that magnitude, of course.

Q. Now, I understand you, in this ocean service in regard to which you suggested a reform, was included service from New York, Philadelphia, Baltimore, and New Orleans, to some point in Florida?—A. Yes, sir, to Key West, and also from Cedar Keys, by Tampa, to Key West.

Q. Did it also include service to Havana?—A. Yes, sir.

Q. Your proposition was to cut off the New York, Philadelphia, Baltimore, and New Orleans routes, and carry the mail down to Florida by railway and then to make the route an ocean-route from Cedar Keys, I believe, to Key West and thence to Havana.—A. Yes, sir, that was my proposition.

Q. And you proposed to make semi-weekly trips, I believe, in thirty hours, at how much?—A. I think about \$65,000. The propositions will show; there were several put in.

Q. And for all this other service I have just mentioned, I believe you stated they were paying about \$150,000.—A. Yes, sir; above that, I think.

Q. Then, I take it, if the semi-weekly service you spoke of is worth \$65,000 or \$75,000 the balance of this service, if it had been needed, was probably not too high at \$150,000, was it?—A. I should think it was because it was virtually but once a week service.

Q. I am not discussing now the question whether the service was needed or not; how much too high was it?—A. I suppose the best evidence of that is what they are carrying it for now.

Q. That does not necessarily follow.—A. They are now getting \$200 a trip.

Q. It may have been worth more or less than it is now, according to prices of material, steamers, labor, and all those things which, I believe, enter into calculation of that kind.—A. It may; but these were rates for the whole distance. The sea-posts age collected in going out to Havana is very meager compared with the money paid for the service.

Q. Would not the same remark apply to many water-routes? For instance, the route from San Francisco to China, by way of Yeddo, in which they got a subsidy of \$500,000 for ten years besides sea-postage. Might that not be said to be high service in one sense?—A. I am not prepared to answer that, because I do not know the value of that service, not having had experience with vessels of that class.

Q. Had you a line of steamers running from Cedar Keys to Havana?—A. No, sir; I had somebody else interested with me, in Baltimore, who was ready to send steamers around.

Q. Did you own any interest in the steamers yourself?—A. I had an interest in one steamer at the time.

Q. How many steamers would it have taken?—A. One could have performed the service twice a week. We proposed to send two.

Q. What was your interest in that steamer?—A. I had a one-fourth interest.

Q. And were representing yourself and this other gentleman?—A. Yes, sir; one gentleman came over here with me at the time.

Q. I believe you stated that you did not get that service, but that it was afterward let to Mr. J. H. Roberts?—A. Yes, sir.

Q. One fast and one slow trip?—A. Yes, sir.

Q. At what price, if you recollect?—A. I think it was a fraction over \$50,000.

Q. Less than your bid?—A. It was less than my bid.

Q. Did the Postmaster-General, under the contract, have the right to cancel these contracts from Philadelphia, New York, and Baltimore?—A. Yes, sir; the law gives him that right, and I referred him to the law, and Judge Spence decided that he had that right to cancel them whenever he thought that a better mode of service was offered.

Q. That is the ocean-contract?—A. Yes, sir.

Q. And they were canceled in point of fact and Mr. Roberts took the service?—A. Yes, sir. All steamboat and steamship contracts are subject to that. I think after I showed him the law he got Judge Spence to give an opinion.

Q. Do you understand that after the Postmaster-General has made a contract upon ocean-routes or upon steamboat-routes he has arbitrarily the power to cancel it at any time before the expiration of the contract?—A. I think so; and he has always had the power to do so and has always exercised it.

Q. I am speaking now without reference to discontinuing the service.—A. I think that clause is embraced in every contract made.

(The witness pointed out to Mr. Cannon section 263 of the postal laws; the latter part of which Mr. Cannon read as follows:)

"The Postmaster-General may also discontinue or curtail the service in whole or in part, in order to place on the route a greater degree of service, or whenever the public interests in his judgment shall require such discontinuance or curtailment for any other cause, he allowing as a full indemnity to the contractor one month's extra pay on the amount of service dispensed with, and a pro-rata compensation for the amount of service retained and continued."

Q. That is a very different power, however, to the one to arbitrarily annul a contract where the service is continued, is it not?—A. I presume he did it upon the ground that this was a better service.

Q. Of course he had the power to curtail or discontinue, but I am speaking now of the power to arbitrarily annul a contract where the service was continued. For instance, suppose that you had got the contract from Cedar Keys to Havana for anything less than four years, the contract having been let to you under authority of law. After you had put your steamers on that route and got ready for performing the service, and had been at it six months, would the Postmaster-General have had the power to annul your contract and say to John Jones, "I will give you the contract for carrying the mail over that route?"—A. It has always been so viewed. Postmaster-General Jewell did it.

Q. Without curtailing or abolishing the service?—A. He annulled the contracts that

had been regularly let between Cedar Keys and Tampa ; and between Cedar Keys and Key West, also.

Q. Without discontinuing the service ?—A. He discontinued the service over part of the route.

Q. I am speaking where he does not discontinue the service.—A. I do not know that I comprehend your question exactly. Do you mean that where he discontinued the route from New York to Key West and Havana, he has the right to do that arbitrarily ? I cannot exactly comprehend it.

The CHAIRMAN. The question that Mr. Cannon wishes to ask you is, can he annul the contract and put other service on immediately ?—A. I think so ; he has always done so.

By Mr. CANNON :

Q. Has he done it under this section of the law ?—A. I presume so ; that is, the one I referred him to and which Judge Spence indorsed. That is, where he made a contract with the master or owner of a vessel. I do not know where he got his power other than the general custom of the Department to annul a contract for the purpose of putting a better service on the route.

Q. Who had this contract to Havana which you speak of ?—A. He had by New Orleans and Cedar Keys ; his route did not extend to Havana.

Q. It extended on part of the route that you bid on from Cedar Keys to Key West ?—A. Yes, sir ; that was part of it ; and also the two smaller contracts, between Cedar Keys and Tampa, and Tampa and Key West.

Q. When did his contract expire, if you recollect ?—A. I think it would have expired the 30th of June last ; I am not positive ; either then or the 30th of this coming June.

That route was let irregularly ; it was let to lap over, and, I think, extended a year in some way. The book of lettings will show that ; I only speak from slight recollection of it ; I had all the memoranda, but in moving they were packed up and I could not get hold of them in time to bring them here.

Q. You have answered that you expected to get compensation by getting contracts ?—A. Yes, sir.

Q. You were not to get paid otherwise ?—A. No, sir ; not at all.

Q. And, of course, when Roberts's service was put on this route at fifty or sixty thousand dollars a year, one slow and one fast trip, you felt a little wolfish about it ?—A. In the first place I felt that justice had not been done me, simply from the fact that my information to the Postmaster-General had been given to others, when he had the authority to give the contract to me. When Roberts came in and suggested that he had vested rights in his contract that the Postmaster-General could not deprive him of—claimed the right to bid after the Postmaster-General had told me that he did not want that coast-service, but wanted two fast trips to Havana—I bid for the two fast trips and omitted the coast-service.

Q. And you felt hardly because you thought you ought to have had the contract, your bid being lower than Roberts. I believe you said it was lower than Roberts's for the fast service ?—A. Yes, sir.

Q. And you felt hardly that the Postmaster-General saw proper to put on one fast and one slow trip, and let it at fifteen or twenty thousand dollars less than your bid ?—A. I told him at the time, as I have already testified, that that service would not answer his purpose ; that the fast trip would overtake the slow and it would virtually make but one trip between those ports. He remarked to me, " If that is the case I will annul that contract."

Q. Do you know whether that is the case or not ?—A. I asked him, " How will you ascertain that fact ; these vessels will go into the harbor at Key West." He said, " I will direct the postmaster at Key West to report, and I will send a special agent to watch it." He did send a special agent down and he telegraphed almost daily, and frequently sent written reports, both stating that to be the fact, that Mr. Roberts's vessels were not making the fast trip ; that he would not arrive on time from New Orleans, and there was no regular schedule ; and that the service was performed so irregularly that he would recommend the discontinuance of it. The Postmaster-General did annul it—that is, Roberts's second contract—and annulled the fast trip, and invited me, and I think Morgan, of New York, and Mallory, and I think invited Clyde, of Philadelphia, to bid. At the first letting, between me and Roberts, he invited us by letter, and at the second time he invited us all by letter.

Q. Did you all bid ?—A. I do not think there were any bids in the first instance but Roberts's and myself.

Q. I am speaking of the second instance.—A. I think not. I think I was the only bidder.

Q. At the second time ?—A. I think so. The books should show that.

Q. What did you bid that time ?—A. I think I bid \$36,500.

Q. For the two fast trips ?—A. Yes, sir.

Q. Was that a fair price ?—A. It was, if I could get the sea and inland postage, which I would have got if I had run to Havana.

Q. You had bid \$70,000 on that route before?—A. Over \$60,000. I bid to get it, to tell you frankly.

Q. Your bid of \$60,000 or \$70,000 was too high, in fact?—A. Not at all.

Q. Why not, if you afterward bid \$36,000?—A. Simply because I did not consider it too high, as a contractor bidding is allowed to make other arrangements for passengers and freights. That I could make, and I found I could take it at \$36,500.

Q. Did you get it?—A. No, sir.

Q. Who did?—A. The Postmaster-General declined to let it entirely, and made contracts with Mallory and with Alexander out of New York at \$200 a round trip to New Orleans. He did not let that service at all, but let a coast-service from Cedar Keys, touching at the little way-offices like Tampa, to Key West, to a man by the name of McKay, who lived at Tampa; and that service is now being performed.

Q. Do you know what the price was?—A. \$18,000; slow trip once a week; about half of what I had bid for two fast trips. My bid was twice a week to Havana—fast mail-line; and that is what the Postmaster-General seemed to want when I mentioned it to him.

Q. Saying nothing about the thoroughness of the service as at present, and what it would have been if you had got it, yet in fact the money that is being paid is only a little over one-fourth of what you first proposed and about one-half of what you proposed the second time?—A. Yes, sir; it is entirely unnecessary, except touching at Key West, because all those were local offices, and have the land supplies now.

Q. How often?—A. Quite often; oftener than they have by the steamer.

Q. Sometimes did they have supplies by steamer?—A. There is a line from Gainesville to Tampa. Tampa is the only office of any consequence. There are two or three little offices between Tampa and Cedar Keys that also get supplies from Gainesville to Tampa.

Q. How many offices are there down there on that route?—A. I think some four or five. There is a little place called Manatee.

Q. Is the service being performed at all from Key West to Havana?—A. Not from Key West direct, except where these New York steamers touch at Havana. They get the postages for that.

Q. The sea-postages only?—A. Yes, sir; the Postmaster-General has no authority to make a contract and pay money for transportation. He is at liberty to give sea and inland postages to American vessels, and sea-postages to foreign vessels.

Q. The foreign vessels are carrying from Key West to Havana?—A. No, sir; the New York lines are doing that—the Mallory and Clyde and Alexander lines.

Q. For the sea-postages only?—A. For the sea-postages only; they get that.

Q. After you had failed in getting the ocean-contract, then, in a conversation between you and Mr. Jewell, you had your attention directed to the Mississippi River?—A. Yes, sir; that was between the first time I bid and while Mr. Roberts was performing his service between Cedar Keys and Key West. He was on a route and went on with it, and it was during that time that my attention was called to this Mississippi River route. As I remarked, he said he thought he could do something for me there.

Q. Did you bid on the Mississippi River routes?—A. No, sir.

Q. Did you have any steamers on the Mississippi?—A. No, sir.

Q. Not being the master or owner of any steamboat, how did you expect to get any contracts there?—A. He made the remark, sitting on the opposite side of the table from me, "If you will bring the master or owner of a steamboat here who will carry that mail for less than \$100,000 between New Orleans and Saint Louis, I will make the contract with him."

Q. You, of course, wanted, in getting your contracts, to benefit your condition, and you set about finding somebody that you could bring?—A. Yes, sir.

Q. And you did bring whom?—A. Captain John N. Boffinger, who was interested in the Anchor Line, between Saint Louis and New Orleans.

Q. What did he propose to do the service for?—A. I do not know. I went there with him and introduced him, and the Postmaster-General rather talked off from it.

Q. What arrangement had you with Boffinger as to the interest you were to have in it?—A. None with him. He was sent here as the representative of Captain Laveille, of Saint Louis.

Q. How did you expect in that matter to better your condition?—A. I was to have an equal interest with the gentlemen who were putting the bids on the line together with Mr. Polk, who had telegraphed Mr. Laveille to send a representative here, and Mr. Laveille sent Captain Boffinger here as his representative, and put him in connection with Mr. Polk and myself.

Q. Did that arrangement that you had made with them include an agreement by which you were to absolutely buy an interest in the line of boats?—A. There was nothing said about that.

Q. What interest were you to have?—A. An equal interest.

Q. How was the equal interest to be determined, as they had the boats and you had them not, and they could perform the service and you could not? What do you mean

by an equal interest?—A. An equal interest in the profits, I judge; I do not know anything else. They were not to be the subcontractors; it was to be put into a general pool, and the profits were to be divided.

Q. How much were they to be allowed in the first place for carrying the mails, and what amount of the pay was to be divided as profits?—A. The gentlemen were not here, and there was no distinct understanding in regard to that; it was left to be arranged.

Q. That would be natural, of course. You speak of telegraphing Mr. Scudder, of the Memphis and Saint Louis line?—A. I did not.

Q. It was done at your suggestion, was it not?—A. Yes, sir. Andrew McKee telegraphed to John A. Scudder.

Q. Who was McKee?—A. He was a man who had been formerly interested in steamboats.

Q. Had he an interest at that time in steamboats?—A. I do not know.

Q. Were you to take McKee into this matter?—A. There was no distinct understanding in regard to it.

Q. Was there a general understanding that you and he were to look after the matter, and he was to be in the arrangement?—A. No, sir; not even a general understanding. I do not know what his ideas were. He did it as a friendly act to me, to telegraph to Scudder to come.

Q. Scudder failed to come, did he not?—A. Yes, sir.

Q. Was he carrying the mail at that time?—A. Yes, sir.

Q. Under an arrangement with Peterson, was it not?—A. Yes, sir; I so understood it.

Q. Do you know what portion of the profits Peterson got?—A. I understood that Scudder was carrying the mail for him at a very reduced rate. I had the prices that Scudder did receive; it was \$10,000 or \$7,000, I think; I have forgotten which.

The CHAIRMAN. His bid was for \$10,000, and he took \$7,000.

The WITNESS. Yes, sir; that was it. There was another party that telegraphed Scudder also. I mentioned before a man by the name of Delaney, who knew Scudder, and was a friend of mine; he telegraphed as a friendly act also to come on; and he did not reply to that either.

By Mr. CANNON:

Q. You felt hardly against the Postmaster-General again, did you not?—A. He told me not to be angry. I suppose I may have shown some temper about it. I got up and turned to him and said, "I am not angry, but I am hurt at the way in which I have been treated."

Q. Was Colonel Routt still Second Assistant Postmaster-General at that time?—A. Yes, sir.

Q. Had you talked to him about it at that time?—A. No, sir; I never had any conversation with him at all. All my intercourse was directly with the Postmaster-General, except when he referred me to this man Woodward.

Q. Mr. Woodward was merely a special agent, was he not?—A. He was special agent, as the Postmaster-General told me. He was then engaged in the re-arrangement of the service there.

Q. If the service had been re-arranged out there, and in fact it would have to be done practically, when it was done, through the Second Assistant Postmaster-General?—A. Of course it would.

Q. This man Woodward is certainly not Second Assistant Postmaster-General?—A. Why he passed Colonel Routt, I do not know.

Q. Was that about the time that the Postmaster-General told you that he himself did not know what he did need on the Mississippi River?—A. That is what he told me. When I got up and told him I felt hurt, he says, "I really do not know what we want on the river there."

Q. Did you not feel yourself that he could not himself personally know what was wanted?—A. No, sir; I do not know that I did; because it was understood that if the party was to come here and bid for tri-weekly service between New Orleans and Saint Louis, it was to be let.

Q. You afterward understood that in his multiplicity of duties he really did not know what he did want?—A. Yes, sir; and I really think he did not. I believe that Governor Jewell, all through, as I have remarked before, was actuated by the very best motives in ferreting out these abuses and to making reforms. He always showed that disposition to me in everything he said to me. He appeared to have that end in view.

Q. He finally contracted for that service, I believe, with the Memphis and Saint Louis packet line.—A. I so understood.

By the CHAIRMAN:

Q. Did the Postmaster-General ever refer to Colonel Routt at all, in talking about those contracts?—A. No, sir; he never spoke of him in connection with them at all.

By Mr. CANNON :

Q. The truth was, then, that in your suggestions about the Mississippi River service and other service, practically, if it had been successful, it would have organized a little second assistant postmaster-general's department outside of the regular Second Assistant Postmaster-General's Department, with you and Woodward at the head?—A. I never understood myself to be second assistant postmaster-general. I was merely giving him friendly advice.

By the CHAIRMAN :

Q. You were with the Postmaster-General himself?—A. I was with him myself, and he was doing the official acts. Of course I had no official authority. I might have given the contract to myself if I had.

By Mr. CANNON :

Q. You were assisting with the view of doing that very thing?—A. I was there for the purpose of trying to get back into the mail-service, and have been trying very hard ever since, and am trying now.

Q. At what price did Mr. Scudder, of the Memphis and Saint Louis line, get the tri-weekly route from Saint Louis to New Orleans?—A. I do not know; I never bothered my head about it afterward.

Q. There has been a good deal of talk about Peterson. You understood him—I gather from your evidence—to have been connected with the Mississippi River service, and to have resorted to straw-bidding to a very large extent as one of the means by which to secure contracts and prevent others from securing them?—A. That was my general opinion while looking at the routes. I do not know the fact that he was a straw-bidder, of course.

Q. You were not by and saw him doing straw-bidding?—A. Of course not; it was a general impression derived.

Q. Is it not true that under the law, even up to the present time, there is no way to prevent straw-bidding; no way to keep a man from putting in a bid?—A. That is true.

Q. Is it not true that under the law at that time, and from 1871 to the present time, it was the imperative duty of the Postmaster-General at a regular letting to let the contract to the lowest bidder?—A. Yes, sir; without regard to mode of conveyance on land-routes.

Q. Is not that same thing true where they have a regular letting on steamboat-routes?—A. Yes, sir.

Q. You speak of Dr. Peterson not being the owner or master of a steamboat; you know that from general reputation and hearsay?—A. I know from hearing him say so himself.

Q. State whether you know that he was, during a portion of the time you have spoken of, if not all of it, the direct representative of Captain Leathers and other steamboat captains upon the Mississippi River, holding powers of attorney from them, and that he produced a letter or letters from them to Mr. Creswell, Postmaster-General, stating that he was their only authorized agent, and that they would not carry the mails except upon contracts made through Dr. Peterson?—A. I never heard that until Captain Leathers told me, after he testified here. After he told me, I then told him, "You should not have a contract now, and neither should Dr. Peterson."

Q. By virtue of what authority could they be prevented from getting contracts?—A. Because they formed a combination by which persons were prevented from bidding. Leathers told me that Peterson had told them there was no use to bid; and Leathers said that he had found out it was no use to bid, except he got his routes through Peterson.

Q. Leathers did not tell you that he himself had bid since the war?—A. No, sir; he only said there was no use in his doing so; that he had made an effort, but had never succeeded. He said there was no use in his making the effort, and therefore he made that arrangement with Peterson, by which Peterson was to get the mails, and then they were to run them. Then I told him that under that clause of the law which forbids combinations, the Postmaster-General should take away his and Peterson's routes.

Q. How was that any more a combination than you and Boffinger made when you came down here?—A. We were bidding together; we did not propose to shut anybody else out.

Q. You proposed that the Postmaster-General, under the law, should let the service to you without considering other bids, did you not?—A. Yes, sir; which he had full authority, under the law, to do.

Q. Do I understand you to say that the law gives the Postmaster-General the authority to refuse to give Captain Leathers, Captain Cannon, and others contracts, although they might bid at a lower rate than other owners and masters of steam-vessels; that the law requires him to refuse to accept that lower rate for temporary or permanent service, because they made a combination at some prior time?—A. Yes, sir.

Q. Where is that section of the law?—A. It is section 250; and will be found on page 46 of the Postal Laws and Regulations; and is as follows:

"That no contract for carrying mail shall be made with any person who has entered or proposed to enter into any combination to prevent the making of any bid for carrying the mail, or who has made any agreement, or given, or performed, or promised to give or perform, any consideration whatever, to induce any other person not to bid for any such contract; and if any person so offending is a contractor for carrying the mail, his contract may be annulled; and for the first offense the person so offending shall be disqualified to contract for carrying the mail for 5 years; and for the second offense shall be forever disqualified."

Q. Under a fair construction of that act, does not a man have to be indicted and convicted?—A. I am not lawyer enough to answer that question.

Q. This section speaks of a combination to prevent the making of a bid. That is not what I understood that Captain Leathers did, because there was no bid in fact made at the time that Peterson got the service; it was a temporary service?—A. As I understood it from Leathers, that agreement was made by which Peterson prevented them from making the propositions; that they did not make a proposition, and that he told them he could get the contract, and then they could take it from him.

By the CHAIRMAN:

Q. You understood from Leathers that he had it from the different steamboat-owners?—A. Yes, sir; it was an agreement which I understood Leathers to say was signed by him and Captain Cannon and Tobin.

By Mr. CANNON:

Q. Did you not understand him, also, that it was an agreement by which they made Dr. Peterson their agent?—A. No, sir; I do not recollect that he said anything of that kind.

Q. Do you know how many steamboat owners and masters, or steamboats, Dr. Peterson represented in the contract that he had upon the Mississippi River?—A. I do not; I do not know that he represented any. I never knew anything of it until Leathers told me the other day.

Q. You do not know that upon nearly all of his contracts, while the contract is to Peterson, it is in fact to him as agent, as between him and the steamboat-owners?—A. I do not know the relation that existed between Peterson and the steamboat-owners of course. I only looked upon the books and saw that Peterson was the contractor.

Q. What month was it that Dr. Peterson said, and that the Postmaster-General also told you, that he intended to cancel Peterson's contracts?—A. I think in February, 1875.

Q. Dr. Peterson's contracts expired the succeeding July, did they not?—A. On the 30th of June.

Q. Can you state of your own knowledge that, upon all Dr. Peterson's routes, the contracts could have been canceled and new contracts entered into (supposing that the law gave the authority) at an advantage, considering that his contract had only a very few months to run?—A. O, yes, sir.

Q. And that it was the duty, in fact, of the Postmaster-General, as I understand it, to advertise the routes at the regular letting?—A. They were already advertised, but I conceived it to be the duty, or that the Postmaster-General had the right, whenever he discovered any such irregularities as he must have thought to exist in Peterson's contracts, not only his right but his duty, to annul them immediately, if he only saved one dollar. It was a matter of principle more than dollars and cents.

Q. Had the irregularities that you have spoken of been ascertained by a prosecution against Peterson, and his conviction?—A. I do not know that he had ever been indicted and convicted. They never took that course in the Department since my knowledge, against any contractor. They were generally very arbitrary about such things. They were their own judge and jury.

Q. Still they have no right to do anything without warrant of law?—A. I would not undertake to answer that; I am not a lawyer.

By the CHAIRMAN:

Q. Did they do that in other cases?—A. O, yes, sir; they did it in Roberts's case, without anything like fraud. He annulled Roberts's contracts twice.

By Mr. CANNON:

Q. They discontinued portions of the service?—A. They discontinued the whole service. The Postmaster-General could have discontinued the service, because the law gave him the authority to make a contract with the steamboat-master for that service for any time not exceeding four years.

Q. He could have discontinued and commenced it again?—A. Yes, sir.

Q. That is not what the law means, is it?—A. I do not know what the law means; that has been the usual course they have taken in such matters.

Q. If where a man gets a contract fairly, and enters upon the duty, the Postmaster-General cannot "whip the devil round a stump" and discontinue the service, and let it to the next man, who is a favorite, can he?—A. He does it; and allows one month's pay as liquidated damages; which is always put in the contract.

Q. Give me a case where the Postmaster-General has discontinued the service to get rid of a contractor, and then turned round and re-established the service, and let it to some other man?—A. In the Roberts case he did.

Q. Turned round and re-established the same service?—A. Part of it over the same route.

Q. There was some addition to it, was there not?—A. There was an extra trip put on; he let it to Mr. Roberts himself, immediately.

Q. There was some addition to the route, then, was there not?—A. Not in length.

Q. I am speaking of the termini?—A. I am speaking of that. A portion was discontinued between New Orleans and Cedar Keys, but it was put on between Cedar Keys and Key West, and let to Roberts; but the original contract was annulled. That was part of the original route. Again, he annulled that contract a second time; I presume he allowed Mr. Roberts one month's pay. That is always allowed unless the contractor had committed fraud, or the route was taken away for repeated failures.

Q. If Peterson's routes had been discontinued, having only four months to run, he would have had an extra month's pay on all those, would he not?—A. If the Postmaster-General thought he was entitled to it, and his bids were not subject to revision for frauds.

Q. Does not the law say that?—A. The law states that fact; if his routes were discontinued; but they frequently arbitrarily hold back the pay.

Q. Not unless it is required to be held back to cover some fine or deduction on the same route?—A. I have known instances where they have annulled the contract, and held back the pay. I cannot name the routes particularly, but I have known cases where they withheld the month's extra pay because they thought advantage had been taken of the Department by the contractor.

Q. And where it was not withheld to answer for fines or deductions?—A. Yes, sir.

Q. You cannot give the route?—A. No, sir; I do not remember.

Q. Under what Postmaster-General was that done?—A. There was a case in Georgia; I have forgotten whether under Mr. Cave Johnson or not—the case of Beaman.

Q. How long ago was that?—A. A good while ago.

Q. Do you know whether the same postal code was in existence then that is in force now?—A. Yes, sir; the law of 1836.

Q. But that was amended in 1845, again in 1872, and again in 1873, was it not?—A. That section was in it.

Q. Other sections have been added to and taken from it?—A. Yes, sir.

Q. At the time the Postmaster-General and Mr. Woodward said that they would annul Peterson's routes, was it spoken of how many routes he had at that time?—A. No, sir. I presume they meant to annul all his routes.

Q. You did not know yourself how many he had?—A. No, sir; I did not. I only knew the routes he had on the Mississippi River.

Q. You did not know whether the irregularities, if any did exist, existed on part or on all of them?—A. It was not the irregularities that existed so much on the running of the routes as the manner in which he got the routes.

Q. You do not know that fraud existed on all or part, if it existed at all, do you?—A. I was of opinion that it existed upon a good many. I do not remember whether it extended to every route; he had some land-routes which I did not investigate. I did not investigate all the land-routes.

Q. Did you investigate all his steamboat-routes—go through the records in the office of the Second Assistant Postmaster-General?—A. I think I did from New Orleans to Saint Louis.

Q. You went through the record itself?—A. Yes, sir; with Mr. Woodward.

Q. Did you go back to the beginning and read the guarantees and all?—A. We merely took the records as recorded on the route-book. If you had the book here I would show you exactly where I went.

Q. The book is only a part of the record; there is a great deal more than that?—A. The book is the most complete record.

Q. The bids are not recorded on the books, are they?—A. Always.

Q. *In extenso*?—A. Yes, sir; that is, the propositions and figures.

Q. A new memorandum of them?—Yes, sir; just as you have it in that printed copy before you; there is but a part of the record.

Q. The recommendation upon which the service is established and upon which the service is decreased or increased is not spread upon that record, is it?—A. In some instances it is. In most all where the route is established.

Q. The text of the recommendation?—A. Yes, sir; it is a brief.

Q. It is a mere abstract?—A. For instance, a route is taken from A to B at three times a week at \$100, where the country is settled. That is the original proposition which

is accepted. Then influence is brought to bear to put that at six times a week and the pay is doubled. That does not appear on the original entry, but there is an order entered upon the route-book stating that fact. I understand that the route-book is in the main a mere abstract or brief of the record, but that there is a record from which that is made.

Q. You did not go back to the files, did you?—A. No, sir.

Q. You spoke of saying to the Postmaster-General that Peterson had influential friends, and that possibly General Grant himself might interfere; did General Grant interfere?—A. Not that I know of.

Q. Did you ever talk with General Grant about it?—A. No, sir.

Q. You spoke of his being an intimate friend of Major Beckwith?—A. Yes, sir.

Q. Did Major Beckwith interfere, to your knowledge?—A. To my knowledge, he did not. I saw him and Peterson very frequently together.

Q. You have been with Peterson yourself sometimes, have you not?—A. I have occasionally met him in the halls of the hotels.

By the CHAIRMAN:

Q. How did you see him with Major Beckwith?—A. I have seen him in carriages, riding backward and forward with Peterson, to and from the Post-Office Department, and at the hotels.

By Mr. CANNON:

Q. You say that Major Beckwith had warrants on Peterson's pay. There is no law against that, is there?—A. I don't know that there is.

Q. Is it not frequently customary for parties to have warrants against a contractor's pay?—A. O, yes, sir.

Q. While there is nothing wrong about it?—A. I do not decide the wrong; I merely state the fact that it is frequently the case.

Q. And always has been in the Department, so far as you know?—A. O, yes.

Q. You speak of Senator Dorsey saying that the service should not be abolished upon White River. He was Senator from Arkansas at that time?—A. I so understood.

Q. White River is in Arkansas?—A. Yes, sir.

Q. Do you know what offices were supplied upon that line? It was the White River line.—A. Jacksonborough, I believe, is at the junction of White River and Black River.

Q. What is the other terminus of the route?—A. The mouth of White River, and that is called White River, I think. It used to be that that route started from Napoleon, but they recently advertised it from the mouth of White River. I think it was advertised from White River. I think that was the name of the little town at the mouth of White River.

Q. Senator Dorsey protested against the service being discontinued?—A. Yes, sir.

Q. You had recommended that the service be wiped out?—A. Yes, sir; I did. On that and the Arkansas River also.

Q. Do you know how many offices are supplied along the White River route?—A. There were very few. I think Aberdeen was one, and Clarendon, and Duvall's Bluff. I forget whether there is another; if there is, it is at Round Hill.

Q. Have you ever been over the route?—A. O, yes.

Q. How lately?—A. Not since the war.

Q. Have you ever taken a post-office register and examined the number of the route?—A. Yes, sir.

Q. Is it not usual for Senators and members to recommend to the Postmaster-General the establishment of mail-routes by legislation, and the placing of service upon them?—A. O, yes.

Q. Do you know whether Senator Dorsey is acquainted with Peterson or not?—A. I do not.

Q. You do not know what caused him to protest against the discontinuing of that Arkansas mail-route?—A. No, sir; I know he protested against it very earnestly one day when I was present. I did not know who he was when he was there; but when he went out I asked Mr. Woodward who he was, and he said that he was Senator Dorsey. He was protesting most earnestly against the discontinuing the service upon those routes, and in favor of Peterson.

Q. Peterson had the routes at that time, had he not?—A. Yes, sir.

Q. Of course, if he protested against its discontinuance, it would be in Peterson's favor?—A. Of course.

Q. How often was that service performed?—A. I have really forgotten. I think twice a week, however, maybe three times a week, on the Arkansas River route. The book will show.

Q. Your opinion was that it would be better to discontinue it?—A. Yes, sir; I thought it would be a saving of that amount of money, because Mr. Woodward and I both agreed that all the offices on those routes had a sufficient land-supply.

Q. How often is Aberdeen supplied, and by what route?—A. I have really forgotten what, but I know at the time we came to that conclusion.

Q. Was it weekly, or semi-weekly?—A. I think at least semi-weekly, possibly three times a week.

Q. Senator Dorsey probably disagreed with you, did he not?—A. I had no conversation with him; he did not disagree with me.

Q. How is Pine Bluff supplied?—A. I think it had a daily supply from Little Rock, and another from Chicot by railway.

Q. Was every office along the Arkansas River supplied sufficiently?—A. So Mr. Woodward reported to me.

Q. As often as once a day?—A. No, not that often; they do not give these small offices daily supplies, unless they should happen to be upon a line between two main points.

Q. Of course, if Senator Dorsey protested against the discontinuing of these mail-routes and the annulment of service merely from a regard to Peterson, and without any regard to the people along the line of the route, that would be wrong; but if he had a regard for the people, then he might be mistaken about what their interest was, and then it would be right?—A. That would be for Senator Dorsey to determine, and not for me.

Q. You do not pretend, then, to sit in judgment upon that Senator's motives?—A. Not at all; I only state the fact.

By the CHAIRMAN:

Q. Was the proposition which you recommended to discontinue altogether and annul the contract?—A. It was the annulment of the contract and discontinuance of the service, by reason of the fact that the routes were sufficiently supplied by land, and that that sum of money was a waste on those routes, and the object that I had in view was to save that amount of money.

By Mr. CANNON:

Q. Is it not true that in the several Western States, and probably in the Southern States, you may say—Texas and the Territories, for instance—there is a great deal more money spent, many times over, than revenue derived from carrying the mail there?—A. Yes, sir.

Q. And is it not true, further, that on many of those routes, in your opinion, the service could be curtailed and frequently dispensed with altogether?—A. Yes, sir; but I always took it for granted that, considering the size of those routes, the Government was not warranted in the extravagant outlay required to supply those offices.

Q. That same thing applies to the Territories frequently, does it not?—A. I think if you go some territorial routes it will apply to them eminently. The Government has been paying a very heavy amount of money for a very small service.

Q. It is a pretty costly undertaking, is it not, for a man to make his stations in those Territories, get his stock and material along those routes, where there is frequently no settlement at all for perhaps hundreds of miles, and other places where the settlements are very sparse—it takes a great deal of capital to do that, does it not?—A. If you propose to run a stage-line, it does.

Q. I am speaking of stage-lines particularly.—A. Yes, sir; of course it does.

Q. When a man once gets it done, having his capital invested, having his stations and the service organized, it gives him a very great advantage, does it not, under the law as it has heretofore been and even now is, in securing contracts upon those routes over another man or men who have not made those investments?—A. On some routes it does and others it does not; most of them it does not. I will tell you the reason of my opinion: Very many of those mails that are carried by stage-lines are very light; but few letters pass over the route in proportion to the amount paid for transportation. There are some routes—I have been told by those who knew, I never was over them myself, but the fact can be readily ascertained—where I have no doubt that the mail would not weigh 50 or 100 pounds, and \$1,000 are paid for carrying that mail three times a week through a section of the country where the wants of the community do not require it. Upon a route like that, the establishment of stations and putting on 4-horse coaches and all that sort of thing is not requisite.

Q. The Government did not require the stages to be established, did it?—A. No, not that I know of; but you were speaking of a man who had stations having the advantage over a man who had not. For instance, take that route from Elko to Montana; that is the principal route that supplies the Montana Territory. The mail may be very heavy there, and it may take a great deal of stock to run the mail and make the schedule-time; of course the contractor puts on coaches, because he has passengers to carry as well as mails. But take the Montana route through to Walla-Walla, over the mountains, where there is very little travel and very little of postal receipts, the outlay of a large sum of money on that route would be very extravagant; probably it would cost \$100 to transport a letter.

Q. Yet, on all these land-routes every four years or oftener they are required to be advertised, are they not?—A. Yes, sir.

Q. You and every other man have a right to bid?—A. O, yes.

Q. And when the service fails it is the duty of the Postmaster-General, under the law, to put on temporary service until the route can be advertised?—A. Yes, sir; that is all right.

Q. The difficulty, however, if I understand you properly from your evidence and your experience in these matters, is that these men who make those routes a specialty go to work and set up men of straw to bid. The Postmaster-General is not to blame for that, is he?—A. I think not; I don't think he could help it, but I think this: that he should use due diligence in endeavoring to discover who these straw-bidders were, and, when once discovered, he should forever ostracise them from bidding again. You will find by the records, just the same as I have found out, that a route may be taken by a man at a very small sum of money for once a week for a hundred miles, and the schedule may be three times, and you will find in some instances where that route has been raised to daily service with increased speed until the pay has run up to be enormous, and there is nothing upon that route in the shape of postal receipts to warrant it. I do not say that it is criminal, but I do say that it is extravagant.

Q. Let us take any route you may please. Have you ever run through the recommendations and seen the demands that were made for the establishment of that service?—A. I never saw the files, because I did not go back that far. I merely looked at the routes, and in many instances it used to be the case, and I believe is yet, although I have not seen the figures, that, for instance, on the route from A to E, the intermediate offices B, C, and D sometimes make up a case and put opposite these way-offices, even at the preliminary rates, the postal receipts for those offices. I have run my glance rapidly up and have seen the amount of receipts upon that route, and would look at the amount paid for the services, and I thought that the receipts were not at all commensurate with the pay. If influences were brought to bear, it is not for me to say.

Q. Is it not true that, with the exception of New York and the New England States, and perhaps Pennsylvania, there is not a State in the Union where the expenditures are not larger in the Post-Office Department than the revenues?—A. That may be very true, but I doubt if that is a fair criterion, because a letter from New York may be a subject-matter of a very important transaction in another State. A letter about a bale of cotton, for instance, represents far more than a letter of mere correspondence between two friends.

Q. That is true; but letters that go from New York to other States, the revenue being collected in New York, ordinarily beget letters in those States?—A. That is true; but I do not think New York should be credited with the entire amount of postal receipts. That is matter of opinion. I do not think it is evidence. The view I take of that matter is this: The subject-matter of a letter is a thing that should be taken into account more than the postal revenue derived from that letter; it represents commercially, very probably, a large transaction, and the man to whom it is addressed may live in a far-away place.

Q. I understand you to say you were struck in examining some of those larger land-routes with contracts that were given to Sawyer at larger prices than other good contractors had been paid?—A. Contracts had been made with Sawyer.

Q. Those were cases where the contract was for temporary service?—A. In some instances I think they were extended beyond the first temporary service and extended beyond even a second temporary service; and then the same thing of straw-bidding was gone over and the second temporary service kept up for a considerable period of time. There is the hardship of straw-bidding. Of course, I do not say it is criminal in the Postmaster-General, but when a good contractor has made a proposition upon a route and the lowest bid is accepted and that lowest bidder has failed, I think it would have been well for the Postmaster-General to pass it to the next bidder whom he knew to be a good man.

Q. Do you not know that the law absolutely prohibited it up to two years ago?—A. I do not think the law ever prohibited it; if it did, it is unknown to me.

Q. Yet I have read the opinion of the Attorney-General in 1871, where he held that where the lowest bidder had failed the Postmaster-General had no authority to give to the next bidder those land-routes, but must re-advertise and in the mean time provide temporary service?—A. I never read that opinion of the Attorney-General. I have heard of it, and I think it was a very strange one.

Q. You do not, of course, pass upon its correctness?—A. Not at all. I say this, that it was not in accordance with the former practice of the Department.

Q. You do not know what changes have been made in the laws upon that subject?—A. I do not know of any law passed since that which would prohibit the Postmaster-General from accepting the bid of a man standing between the man who bid and the man who failed. The books will show from 1871 to 1875 where contracts were made with a man at a very excessive price, and other good bidders were passed who were then contractors.

Q. You mean now for temporary service?—A. Temporary service.

Q. How do you know but that there was a ring between those bidders and the man? How do you know but that they understood each other?—A. That I do not know.

Q. Can you give us any instance where Postmaster-General Creswell, or Dennison, or Jewell favored anybody in awarding temporary service and paid him more than others offered to do the same service for?—A. Yes, sir; I have been told by Sawyer that he did. I think that book on the table will bear it out.

Q. I am speaking if you knew any instance, not what Sawyer told you.—A. Only from the records.

Q. How does the record show it?—A. The record shows that the contract taken at a very low rate by a bidder, the bidder failed; hundreds of dollars had been paid, and the Postmaster-General made a temporary contract at thousands of dollars.

Q. Do you know that anybody else stood ready to take the temporary contract at a less rate?—A. I do not.

Q. I am not speaking of what the next bid was.—A. I never saw upon the book the record of that fact I have spoken of. I have never seen where it was offered to an intermediate bidder.

Q. I am speaking of the law now prohibiting its being let to the next bidder.—A. I reply to that, that I never knew there was a law prohibiting it, and that the practice of the Department ever since I have been a contractor has been otherwise.

Q. Of course it is the duty of the Postmaster-General, where there is a failure and he has to put on temporary service, to do it to the best advantage?—A. Of course it is. The law compels him to do that.

Q. I ask you if you can give us the instance, the route, and the man where he failed to do it to the best advantage?—A. There are some instances; from Sherman to Fort Gibson.

Q. I am speaking of land-routes now.—A. There is one I had my attention called to—contract No. 7587, bid at \$900. The highest bid was \$80,000. That contract is as follows:

ROUTE No. 7587.

From Fort Gibson to Sherman, 205 miles and back, three times a week.

Proposals invited to run by schedule, allowing 48 hours running-time each way.

Bidders' names.	Sum per annum.	
Thompson, Pate & Monroe	\$80,049.	
Anderson Arnot.....	74,000.	
Jos. E. L. Rowland.....	34,000.	Invited service.
George W. Cook	31,500.	Forty-eight-hour schedule.
James B. Price.....	30,000.	
	60,000.	Invited service.
John Hughes & Co	29,500.	
J. S. C. Rowland.....	29,000.	
Reuben Middleton	26,000.	
John Hughes	23,500.	
George W. Cook	32,000.	
J. W. Johnson.....	21,200.	
	28,000.	Invited service.
William O. Osgood.....	20,300.	
D. D. Searle	20,000.	Invited service.
Adam E. Smith.....	20,000.	
	26,000.	Forty-eight-hour schedule.
Silas Wolverton	19,942.	
	24,972.	Invited service.
J. J. Gallaher.....	19,900.	Forty-eight-hour schedule.
James W. Parker	19,900.	
	23,900.	Forty-eight hour schedule.
C. M. Lockwood	19,000.	
Bradley Barlow.....	19,000.	
	22,000.	Invited service.
Virgil W. Parker	18,970.	
	22,900.	In forty-eight hours.
F. C. Taylor.....	18,700.	
	21,800.	Forty-eight-hour schedule.
Leroy G. Terry	18,500.	
	27,000.	Forty-eight-hour schedule.
S. P. Wheeler.....	17,993.	
George Babcock	17,500.	

Bidders' names.	Sum per annum.	
F. P. Sawyer, jr.	\$17,450.	
	20,000.	Forty-eight-hour schedule.
C. W. Foster.....	17,000.	
	22,000.	Invited service.
J. T. Chidester	16,400.	
	18,800.	Forty-eight-hour schedule.
Charles H. Tanner	16,000.	
	17,950.	Forty-eight-hour schedule.
D. D. Searle	15,000.	
Asa Truesdell	15,000.	
Andrew Stuart.....	14,700.	
	16,800.	Forty-eight-hour schedule.
Jonathan Vaile	14,200.	
Henry A. Burt.....	14,000.	
	28,000.	Forty-eight-hour schedule.
Charles H. Tanner	13,800.	
	15,950.	Forty-eight-hour schedule.
Samuel T. Scott.....	13,700.	
	14,700.	
J. J. Hinds	13,500.	
M. H. Eggner	13,487.	Forty-eight-hour schedule.
William M. Griffith.....	13,100.	
U. E. Fisher	12,999.	
	12,999.	
	18,999.	Forty-eight-hour schedule.
H. M. Vaile	12,000.	
J. J. Hinds.....	12,000.	
Charles H. Tanner	11,500.	
	13,400.	Forty-eight-hour schedule.
S. B. Anderson	10,900.	
	13,500.	Forty-eight-hour schedule.
B. F. Akers	10,900.	
Theodore Stemers.....	10,000.	
	11,500.	
M. H. Eggner.....	9,740.	
J. J. Cochran	7,990.	
J. J. Cochran.....	9,000.	Forty-eight-hour schedule.
A. E. Haskell.....	7,980.	
Blair & Annable.....	7,500.	
Henry C. Lovell	6,800.	
	8,600.	Forty-eight-hour schedule.
W. C. Galloway.....	6,300.	
	9,000.	Forty-eight-hour schedule.
Henry Gates.....	5,500.	
	8,500.	Forty-eight-hour schedule.
A. G. Allen	4,950.	
	7,200.	Forty-eight-hour schedule.
J. T. Walton.....	4,900.	
	6,000.	Forty-eight-hour schedule.
William Addoms.....	4,800.	
M. Bannister.....	3,000.	
	5,000.	Forty-eight-hour schedule.
Bracken & Hines	2,495.	Invited service.
J. A. Moore.....	1,000.	
	1,500.	Invited service.
William Wood.....	700.	
	900.	Forty-eight-hour schedule.
		Accepted March 30, 1871.

Contract was drawn, dated March 30, 1871, and transmitted to William Wood, at \$900 per annum, by schedule, allowing forty-eight hours running-time each way, but it was never executed.

"July 12, 1871.—Authorize F. P. Sawyer to carry mail temporarily on route six times a week, by schedule of forty-eight hours running-time, at \$34,296 per annum, former rate of pay.

"July 17, 1871.—Accepted bidder having failed to begin service, contract with F. P. Sawyer, of Washington, D. C., from July 1 to December 31, 1871, or until otherwise ordered, at \$34,296 per annum, for service six times a week, and re-advertise route.

Leave Fort Gibson daily, except Sunday, at 6 a. m.; arrive at Sherman in forty-eight hours. Leave Sherman daily, except Sunday, at 6 a. m.; arrive at Fort Gibson "—

Q. The lowest bidder entered on the service and failed, did he?—A. The contracts were sent out but never executed. The bidder bid to carry that mail at \$900 per annum.

Q. It appears from that contract that the bids ran from \$30,049 (eighty thousand dollars and forty-nine cents) down to \$900, (nine hundred dollars.)—A. Yes, sir.

Q. Temporary service was let to Sawyer for \$34,000, while it was being re-advertised?—A. Yes, sir.

Q. With my statement to you that I understand the law to be that the Postmaster-General could not go back and contract with other bidders as a matter of right, but must put on temporary service and re-advertise; which one of those bidders between William Wood, who bid \$900 and failed, and Joseph E. L. Rowland, who bid \$34,000, would have carried the mail for temporary service at a less rate than Mr. Sawyer received?—A. I do not know which one would have carried it. I only say this, that I do not have the same view of that law that you have; that my experience has been that if William Wood had failed a temporary service was to be contracted for. The usages of the Department during the time when I was a contractor were to offer it to the contractors until they got a good contractor for temporary service; that is the way I wish to be understood.

Q. Are you acquainted with these 40 or 50 bidders between \$34,000 and \$900?—A. I know a good many of the names there.

Q. Do you know all of them?—A. I do not know all of them. There is a man, H. M. Vaile, he is a contractor and was at that time; J. J. Hinds; Samuel T. Scott is a partner of Sawyer's.

Q. Do you not recognize many of these names as being those of straw-bidders?—A. No, sir; I do not. Andrew Stuart was not.

Q. Do you know whether the service was offered to Stuart?—A. I do not. John T. Chidester was not. F. P. Sawyer is the son of Sawyer, I see his bids are \$20,000.

Q. You do not know whether they were invited or not?—A. I do not; I see no evidence of it.

Q. The next lowest man ought to have been invited, according to your notion?—A. Yes, sir.

Q. There are fifty-seven bids, then, which in rotation you say ought to have been invited, one after the other, before the contract was made for the temporary service after the lowest bidder had failed?—A. Yes, sir.

Q. How long would that have taken?—A. I do not know.

Q. Would it not have taken at least, on an average, a week to each bidder to write to him and give him an opportunity to bid?—A. No, sir; not by telegraph.

Q. Did they live on telegraph-lines?—A. Many of them, did. I do not know all of them. I was merely pointing out those I do know as responsible men.

Q. Say it would take two days to notify each man; it would probably have taken that long, would it not?—A. I do not know; I cannot tell you; I do not suppose they would need to send each one *seriatim*.

Q. If it had taken that long, would it not have enabled these people to combine?—A. I have no doubt they did combine in many instances.

Q. Would it not have taken thirty to sixty days to run down that list and ascertain whether they could have got a man to do that service?—A. Probably it would.

Q. What would have become of the service in the mean time?—A. The people would have had to do without it.

Q. The law made it obligatory upon the Postmaster-General to let the temporary service and re-advertise, did it not?—A. Yes, sir.

Q. This route from Fort Gibson to Sherman was not through a settled section of the country?—A. I do not know.

Q. At that time it was before the railroad was completed, was it not?—A. Yes, sir.

Q. And a large portion of the route was through an unsettled part of the country. Is it not true that Sawyer had been a bidder upon that route before?—A. He was carrying the mail before that; I do not know whether he was a contractor, or whether Vaile was. I think he got some routes from Vaile; I am not positive. However, he had stock on the route, and was running it.

Q. To have run down this list of bids and found a man for temporary service for six months, and to have got the stock upon the route and established the service, would have taken nearly six months, would it not?—A. I do not think it would, if he had sent out inquiries to all these parties to know whether they would carry the mail at their bid. That has been done, I know.

Q. As a practical mail-route contractor, do you think that for six months' temporary service, the bidder not knowing whether he is to get the contract beyond that, and not having the stock upon the route, any man could be got to do that within any reasonable price?—A. He would have had to bid a higher price for it than at a regular letting for four years, of course.

Q. From your knowledge of this route for temporary service for six months, at six times a week, was \$34,000 too much?—A. It was above the average pay.

Q. It ought to be above the average pay for temporary service, ought it not?—A. He had been getting it all along. It was above the average pay for similar service six times a week generally.

Q. Yet it is always more upon an unsettled route than a settled route, is it not?—A. That was a very well traveled route at that time.

Q. Is not the pay always more upon unsettled routes, where the contractor has to maintain stations, and get supplies, and transport them considerable distances, than upon a route through a thickly-settled portion of the country?—A. Yes, sir.

By the CHAIRMAN:

Q. Was that an unsettled route?—A. No, sir; there was a very great deal of travel on that route at that time; sometimes they ran two or three coaches. General Armstrong was managing it, he was here the other day; he managed it for Sawyer, and spoke of it as being a very excellently-traveled route.

By Mr. CANNON:

Q. That still does not answer the question. Was it not through an unsettled portion of the country for a very considerable distance?—A. I could not answer that.

Q. You know whether it was settled or unsettled?—A. It is in the Cherokee and Choctaw country.

Q. Do you not know that it is, comparatively speaking, an unsettled country to-day?—A. This route was run almost parallel to the Missouri, Kansas and Texas Railroad.

Q. That was not completed then. I am asking as to whether it was upon an unsettled portion of the road?—A. I presume it was. I do not know; I am only speaking of the amount of travel over the road.

By Mr. MILLER:

Q. The Postmaster-General could not be supposed to make as good a bargain with a person who had not the stock on the route as with one who had and was running a route?—A. I do not know whether he could or not. It does not appear that he tried. I do not know but he did.

Q. Was it to be expected that he could? Would it not cost more?—A. It would cost more; that I say, but whether he could have done better than he did, that I do not know. I see the names here of a number of responsible men who had made bids for four years.

By Mr. CANNON:

Q. How do you know but what many of these responsible men you speak of who had made the proposition to carry the mails for four years were in fact in confederacy with Sawyer upon that route?—A. I do not know whether they were or not. You can inquire into it and know.

By Mr. MILLER:

Q. Do you understand that a contractor who has put in a bid at a general letting is under any obligation to stand to that bid if it is not accepted at the time?—A. It is, under the law as the law is now. It was not under the former law.

Q. And you do not understand that these men who put in these lower bids would have felt themselves under the least obligation to have made the contract under the bids they had put in?—A. They were not bound to do so.

By Mr. CANNON:

Q. You spoke of a man by the name of Floyd, and another by the name of Colt, who were clerks in the Post-Office Department, who were bribed and turned out badly, and that you did not much wonder at Floyd. He is the man whom Sawyer told you he had under \$100 a month pay?—A. Yes, sir; and that he was persistent and clamorous for more, but that he had finally refused to give him any.

Q. Do you know Floyd when you see him?—A. Yes, sir.

Q. Who served the subpoena on you to come here?—A. Mr. Ford.

Q. Where is Floyd now?—A. I heard yesterday that he was in Maine.

Q. Who is Ford?—A. He represented himself as a sergeant-at-arms, and came around with the subpoena. I did not know him, only from his authority which he exhibited. I asked him his name, and he told me Ford.

Q. Did you ever have any conversation with Senator West about the service in Louisiana or upon the Mississippi routes?—A. No, sir; I do not know him.

Q. Then you have no knowledge as to any influence that he may have exerted in reference to the annulment or discontinuance of any of Peterson's contracts?—A. I have no personal knowledge; it is only derived from information from Mr. Woodward as to what he said to him.

Q. Was there some talk of discontinuing the service upon some of the routes in Louisiana?—A. Some of those river-routes.

Q. That was talked of between you and Woodward?—A. Yes, sir; and when that talk came up it was after suspending Peterson's pay, and was in regard to annulling some of these river-routes in Arkansas and in Louisiana, and I think some in Missouri.

Q. You understood from Woodward that West was objecting?—A. He told me so.

WASHINGTON, February 23, 1876.

WILLIAM SICKLES sworn and examined.

By the CHAIRMAN :

Question. State whether you are not employed in the Post-Office Department.—Answer. I am.

Q. In what capacity?—A. I am a clerk in the contract-bureau, a corresponding clerk, so called.

Q. How long have you been in that position?—A. Since about the 20th April, 1869.

Q. State what have been your duties as inspection and contract clerk, and the particular section of country which came under your supervision, and the subject-matter which came under your consideration.—A. I was assigned to an inspection-desk, I should say early in May, 1869. I had the service of the three States—Arkansas, Louisiana, and Texas—to inspect. I remained at that desk until late in December, 1874.

Q. Who was your immediate superior at the inspection-desk?—A. The principal clerk of the inspection-division oversees the work of that division. We work under the Second Assistant Postmaster-General.

Q. Who was the principal clerk of that division?—A. Mr. Lewis Watkins was the principal clerk until 1872, and afterward Mr. Lake was the chief clerk, and is so yet.

Q. When you went out of the inspection-division as an inspection-clerk, you went into the contract-office?—A. Yes; it is in the same office, but I went to a contract-desk.

Q. Who succeeded you at your desk in the inspection-office?—A. Mr. E. F. O'Brien.

Q. In connection with your duties as inspection-clerk, do you know anything about B. H. Peterson, W. D. Kittle, and F. B. Sawyer, contractors?—A. Yes, sir.

Q. State what you know about Mr. Peterson.—A. Mr. Peterson had, I think, but one route until some time in 1872. He had a route from New Orleans to Shreveport and Marshall, (the Red River route, so called,) sometime previous to that; I should think, perhaps, it commenced in October, 1869. That contract expired 13th June, 1871.

Q. It was after that date that he got the other contract, which he held on the Mississippi River.—A. Yes.

Q. State what you know about Mr. Peterson's relations with any officer, clerk, or employé of the Post-Office Department.—A. I do not know of any relations he has different from those of other contractors.

Q. Do you know whether Mr. Peterson has been specially favored over contractors generally in these matters in connection with the Post-Office Department?—A. I would say, as an inspection-clerk, that it was a common practice in the Department if contractors came to the city and desired to have their matters settled, for the head of the bureau to say to the clerk, "Look over this contractor's routes, and if you find them in a situation to satisfy you, certify the routes." There were few contractors who did come here, and, so far as Mr. Peterson's being here frequently, he might be regarded as being treated exceptionally in that respect, though there were some others who did the same.

Q. I should like to know the others who were favored in that way; which was a favor, was it not?—A. I do not pronounce upon that. It was a favor so far as this, that it obliged contractors, who were in the city, in having their accounts settled as soon as could be.

Q. Did I understand you to say that the carrying of the mails by these contractors were certified, from the desk of the clerk whose duty it was to make a certificate, before there was full and satisfactory evidence, according to the law, that the contractor had performed the service for which he was to be paid?—A. Service was sometimes certified without the reports of the last month being in.

Q. What did the law require in that regard?—A. I do not know that I ever looked at the law in that respect. I suppose that it required full proof.

Q. How did you make certificates generally?—A. The certificate set forth that there did not appear to be any deductions to be made; or, if there should be deductions, we certified the amount of deductions that were to be made.

Q. But is it not necessary for you to have before you, as inspection-clerk, a certain amount of evidence before you make a certificate?—A. Yes.

Q. Do I understand you that these certificates were made, in reference to Peterson, or any other contractor, when there was not satisfactory evidence?—A. I sometimes certified evidence, by direction, when I should not do so if I were acting on my own judgment.

Q. What cases were those?—A. Cases such as I have mentioned. For instance, Mr. Peterson, Mr. Sawyer, Mr. J. T. Chidester, of Arkansas. There was a man named Tyson, who would also get his service certified if he were in town.

Q. You say that you made these certificates, in these instances, when you would not have done so if you had acted on your own judgment, but that you did it by direction.—A. Yes.

Q. What was the difficulty which makes you say you would not have done it on your own judgment?—A. The Department promises to pay in the second month succeeding the quarter when the service is done. For instance, service expiring on the 31st of March, the Department agrees to pay in the month of May following; but it has always been the practice, I think, in the inspection-office, to give certificates as soon as the proofs were in. If the proofs were in by the 10th of April, we would give certificates on the service, if the contractor were present. I am speaking of the practice which obtained sometime ago, but is not prevailing now. If the contractor came into the office on the 1st or 2d of April and said, "I want my service certified; I want to have a settlement made, as I am here in the city and I wish to go home;" I would be called up and instructed that if I found the service all right, except the last month, (the proofs for which I could not have,) I might give the certificate, and that if I found any failure afterward in this last month, when the reports came in, I should charge them up to the next quarter, and then there would be a reduction on the next quarter's pay.

Q. Then I understand you to say that you did this in regard to this contract of Peterson's?—A. Yes; whenever directed to do so.

Q. Who directed you?—A. I would sometimes get my directions from the head of the bureau, General Giles A. Smith, until he left the office, and afterward from Colonel Routt.

Q. Did you get them from any one else who was acting as Second Assistant Postmaster-General?—A. I got them from the principal clerk of the inspection-division, who was Mr. Watkins up to 1872, and who is Mr. Lake since that time.

Q. Did you get instructions from any one else acting as Second Assistant Postmaster-General?—A. I do not recollect; I may have received them from the chief clerk, but I do not recollect.

Q. What kind of instructions did they give you in regard to this matter?—A. In a case of this kind they would say, "If you find Mr. Peterson's service all right for the first two months of the quarter you may certify the service, and if there be any deduction to be made for the last month you will make a case, and the deduction will go to the next quarter."

Q. State whether this man Peterson was frequently in the Department.—A. Yes; I should say so. That is, I should say he was here once in three months. He would be round sometimes for some days at a time.

Q. With whom was he familiar in the Department?—A. I cannot tell you as to that. If I went to the contract-desk I would find him there sometimes, and I would sometimes see him in the corridors.

Q. Who had the contract-desk?—A. Mr. Floyd, until perhaps February or March last.

Q. What were Peterson's relations in regard to Giles A. Smith, Second Assistant Postmaster-General?—A. I do not know.

Q. Did you see them together frequently?—A. I did see Peterson there occasionally, but the inspection-clerk does not go to the Second Assistant Postmaster-General as often as the contract-clerk does, for the reason that there is an officer between them. The inspection-clerk goes to the principal clerk, and not to the Second Assistant Postmaster-General, as a rule.

Q. You stated that you received instructions occasionally from Giles A. Smith. Did those instructions occur when Mr. Peterson was about?—A. I do not think that such instructions were given unless Mr. Peterson was present in the city.

Q. Did you know him to be in the office about that time?—A. I should think he was generally, but I cannot tell you.

Q. Have you any knowledge of any familiarity between Giles A. Smith and Peterson?—A. No; I could only assume it. I am no hand about headquarters, and do not go there unless I am obliged to.

Q. Do you know anything about his relations with Mr. French?—A. No, sir; nothing. I would see him in that room sometimes when I had occasion to go there.

Q. Did you see him frequently in Mr. French's room?—A. I do not think I did particularly. When he was about the city he would be in the Department, and I would see him sometimes in the hall. I was an inspection-clerk, and did not really have anything to do with him.

Q. You would give him the certificate, would you not?—A. Yes, but he did not come to me about it.

Q. Why not?—A. Because I do not think he wanted to. Contractors do not get as near to the inspection-clerk as they do to the contract-clerk.

Q. Where do they have to go to get near the inspection-clerk? Suppose that Mr. Peterson wanted to reach you, where would he go?—A. To my desk.

Q. And he did not go there?—A. Not much.

Q. Still he got certificates made out from your desk?—A. Yes, but the clerk takes no directions from a contractor. He has come to my desk sometimes.

Q. He never approached you improperly?—A. No, sir. There was one time when he was carrying the mails on the Red River route, (I had never issued a certificate until the proofs were all in,) when he came to me and asked me if I would do so. I told him I could not. In a little while Mr. Watkins, the principal clerk, came to me and asked how much proof I had and how near I could come to certifying it. I think I had proof from one end of the route, but not from the other. This may have been about the 4th or 5th of the month; I do not know exactly, but I know it was early in the month succeeding the quarter in which the service was performed. Mr. Watkins went away, but came back in a little while and wanted to know what proof I needed. I told him I wanted to hear from such an office—the office at the other end of the route. He asked me if a telegram from that office would satisfy me. I said, "I have not to be satisfied. I am ready to certify this if I am directed to do so." That is the only time I know of Mr. Peterson asking me to certify a service.

Q. Did you get directions to certify it that time?—A. There was a telegram obtained, perhaps that day or the day after, and the service was certified.

Q. A telegram from the other postmaster?—A. Yes.

Q. That would not have been certified by you except under orders?—A. Certainly not.

Q. Have you any knowledge of Peterson approaching any other officer of the Post-Office Department?—A. I have no knowledge of it.

Q. Have you any such knowledge from the parties themselves, or did you ever hear of any clerk or official of the Post-Office Department saying that he had been approached improperly by Peterson?—A. I do not know that I have. I had not heard of such a thing till recently, and I would be glad to rest on that a little.

Q. I would like to know what you heard, if you heard anything about it from any of the employes of the Department.—A. No one has told me that he has been improperly approached. I had an intimation from a witness here that he had been, but I do not think that he said so clearly.

Q. Who was the witness?—A. Mr. E. F. O'Brien. He did not tell me that he had been. I should perhaps have answered your question with a direct "no," but I was trying to tell you as well as I could. It was an intimation, that was all.

Q. Do you know of Mr. Peterson or of any of those other contractors ever having their lives insured with Mr. French?—A. I know no such thing of my own knowledge. I have seen it so stated in the newspapers.

Q. You never heard Mr. French say anything about it?—A. No, sir.

Q. Did you ever hear Mr. French say anything about an insurance company he was acting for?—A. Yes.

Q. What did he say?—A. He asked me one time if I wanted an insurance on my life, and he said he represented some company, I do not know what.

Q. He did not say whether he had insured any one else?—A. No, sir. I do not recollect.

Q. Do you know where Mr. French transacted his business as insurance agent?—A. No, sir; I do not.

Q. Where was he when he asked you to insure your life?—A. In the Department.

A. At his desk in the Department?—A. I do not presume it was, for I did not go much to his desk. This is some years ago. I did not want an insurance, and there was but little said.

Q. In what room did you see Peterson most frequently; was it not in Mr. French's room, more than in any one's else?—A. I cannot say that it was. I would see him oftener at Mr. Floyd's desk, because Floyd was the contract-clerk of the same section for which I was inspection-clerk. Our rooms are pretty widely apart in the hall, but our business running closely together I would often have occasion to go to his desk, and there I would see Peterson more than elsewhere in the Department.

Q. How much did you see him there?—A. He was there oftener than at my desk, I am very sure of that.

Q. Was it not understood by you that in some way or other in the Department, Peterson was a favored man in his contracts?—A. Have I a right to pass judgment on that question?

Q. I ask you for your judgment, based upon your connection with the Department.—

A. It would be simply a matter of opinion.

Q. I would like to know your opinion.—A. My own opinion was that they would

not hesitate to favor him as far as they could properly. I do not think that there was any hesitation in granting him any accommodations that my superiors deemed proper to grant him.

Q. Did they grant him any favors which they did not grant to others?—A. Only so far as I have qualified them. If contractors were in the city and asked to have their service certified, we always went through that man's contracts and certified his service. I do not know that there was any refusal to do that for any one. Mr. Peterson was there pretty regularly, and in that respect would be favored more than some others.

Q. What was your knowledge of Peterson as a mail-contractor in regard to his ability to execute his contracts under the law?—A. When I was inspection-clerk I had no occasion to examine that matter.

Q. Did you have any knowledge?—A. I do not know anything about his financial ability.

Q. Did you know whether he was the owner or master of any steamboats?—A. I have no idea that he was.

Q. Did you know so?—A. I have heard it said that he had no steamboat. I never heard himself speak in regard to it.

Q. Whom did you hear say so?—A. It was a matter that I heard talked of. I do not know that I heard my superiors talk of it, but I have heard it among the clerks and among Mississippi River men that he had no steamboats.

Q. You mean Mississippi River men who came to your office on business?—A. Yes.

Q. Were contracts made with him outside of the regular mail-lines?—A. Yes, on river-service.

Q. I mean contracts in accordance with the law on river-service.—A. I do not know that I understand you really. In so far as railroad and steamboat service is concerned, contracts run differently from other service. We usually advertise steamboat-service, but frequently we do not contract under that advertisement. We make contracts not under the advertisement.

Q. Did you understand that he could not carry the mail for any distance except by making arrangements with other steamboat-men?—A. That was my understanding.

Q. How did you get that knowledge?—A. It was hearsay. I was not the contract-clerk, and consequently such things would not come to me directly, but I would frequently hear men say that that was true, that he had no steamboat.

Q. Did you hear that from special agents or postmasters?—A. I do not know that I heard postmasters say anything in reference to it, but I should say that I heard special agents say that he had no steamboat. I think I have.

Q. Did you hear them say he was a middle man?—A. I heard special agents say so.

Q. Do you remember who they were?—A. Mr. Holbrook was one; I think I heard Mr. Seelye say so.

Q. Do I understand you to say that Mr. Peterson was treated precisely in the same way in regard to his contracts, the making out of certificates, and all matters that pertain to his contracts, as all other contractors were who were here?—A. Yes, I should say so.

Q. You do not think he was favored more than any other contractor who was in the city?—A. No; I do not.

Q. Do I understand you to say that all contractors who were in the city, when they made application to the Department where these contracts were in the same condition as Peterson's were when you certified to them, received certificates, too?—A. Yes; so far as my own desk was concerned. I never heard of an application being rejected when that practice was in vogue.

Q. Were you not talked to by your superior officers when you refused to make up certificates in cases where you had not sufficient evidence, more frequently in regard to Peterson, Sawyer, and those contractors you have named, than in regard to other contractors?—A. I think I should answer that question, no.

Q. Do I understand you to say that you refused to make up certificates for many other contractors, and that you were ordered by your superior officers to make them out? I understood you to say a while ago that you were not satisfied in your own judgment that they were entitled to a certificate, and would not make it out, and you received orders from your superior officers to make it out, and you named Peterson and Sawyer as instances.—A. Yes; the circumstance that I mentioned where a telegram was obtained from the postmaster, was, so far as my desk was concerned, the first time I issued a certificate until I had my proof. I related that as the first time.

Q. And that was in Peterson's case?—A. Yes, sir; and up to that time I would have refused anybody, without orders from above. I would have certified any man's route if I had orders.

Q. When was the next case where you made a certificate by orders, where you were not satisfied with the evidence?—A. I cannot say that it was with those parties more than with others, and as they were here, and were in a greater hurry, I would take my register and proofs to the principal clerk, and say, "Here, this is the situation; now, what shall I do?" and I would take their direction in the matter. It was not as likely, perhaps, to occur with others, because I would have time to get my legitimate proof in their cases, and questions of that kind would not occur.

Q. Name over the contractors who did business in that way ; who were in a hurry, and their certificates were made out in that way.—A. I think there was a Louisiana man named Chaff. I do not know but what he did. All his contracts expired in 1871. I do not know whether he got any favor of that kind or not, but I know when he came here, as he sometimes did, we generally got up his certificates as soon as we could, and there would be constant calls by contractors who would happen to be here, and when such a call was made I was always directed to certify under certain conditions.

Q. In making up those certificates you certified the fines also?—A. Yes, sir.

Q. When you certified fines up in regard to those contractors you have named, were those fines afterward remitted?—A. Sometimes they were.

Q. In whose favor were they?—A. In everybody's favor when they made a showing for it.

Q. Were Peterson's fines remitted?—A. A great many of them.

Q. Were you familiar with the evidence in the cases where the fines were taxed up first and afterward remitted?—A. Yes ; I had to be familiar with that.

Q. And on your knowledge of the character of the service performed, and how it had been performed and the reports before you, you made up fines and certified them up?—A. Yes, sir.

Q. Now, have you any instances in your mind where those fines were remitted after they had been fixed by you, as you supposed on proper evidence ; where they had been remitted by your superior officers on very slight evidence?—A. The order of remission is made up by the same clerk who makes the deductions or fines.

Q. You are familiar, then, with a case?—A. Yes.

Q. I would like you to tell about the remission of fines against Peterson, for instance ; how did that come about?—A. He would make up a case, for instance, for service on the Mississippi River. Some of the routes are very long, and upon the report of the postmaster that such a trip failed, I would deduct the price of that trip and it would pass. Proof would come in afterward that this trip was performed, perhaps, certified to by the same postmaster, that the trip was made after time, or with some qualification, and I would remit the deductions so far as the proof would justify it.

Q. Were you ever importuned by any of your superior officers to make remissions where you declined to do it yourself, where you thought the evidence was not sufficient to make the remission?—A. Not on those routes ; not with those contractors. There was one case where I somehow obtained some reputation, which I avoided as much as I could, and the remission was finally made afterward.

Q. Tell us about that case ; on what route was it?—A. I think it was route 8105. It was route from New Orleans to Ouachita River and Monroe. I think it was a contract expiring the 30th of June, 1871.

Q. State all that occurred in the remission of that fine, what you did and what others did.—A. I deducted, I think, \$1,000 of the pay.

Q. What was done with that fine ; were you asked to have it remitted?—A. Yes, sir.

Q. Did you do so?—A. I did once.

Q. Which time was that?—A. The first quarter was the only one in which there was any considerable remission. I drew up the order. The deduction of the next quarter was done in my absence.

Q. How came you to be absent?—A. I was on leave with my family.

Q. Had you refused to make this remission before you went away?—A. I found a great many difficulties about it.

Q. State if you refused to do it.—A. I did not refuse ; of course, I would not refuse if I was ordered to do it.

Q. Did you not go away to get out of it?—A. No, sir ; I went away with my family.

Q. Did you not say that they might displace you, but that you would not make the remission?—A. No.

Q. What did you say about it?—A. I do not know what I told the principal clerk. I may have said that I did not want to do it. I think likely I did, because I didn't think it was right. I did not think there was sufficient reason for remitting the fine. I will explain that if it is desired.

Q. You were of opinion that it was wrong?—A. I did not think it ought to be ordered.

Q. Who importuned you to do it?—A. Mr. Walker told me, or brought it to me, in such a way that I understood it was to be remitted.

Q. What did he say to you?—A. I cannot tell you exactly. He stated that General Smith had considered the matter, and he had considered it, and it was deemed the excuses were sufficient ground for remission.

Q. Did you still refuse?—A. Well, I worked slow at it.

Q. Why did you work slow?—A. It was something like this : the route started from New Orleans, ran up the river three or four hundred miles to Red River Landing, and up the Ouachita to Monroe. There was service already on the river all the way to the mouth of the Ouachita, perhaps, and sufficient service. The postmaster at New Orleans did not certify, or didn't send in his monthly register, as we call it, and I called

on him for it. He replied that he didn't know anything about such a route; that they didn't carry the mails; that the mails for Monroe were sent up by railroad to Vicksburgh, and across the country from there, and he had no occasion to use the other route. I deducted one-half the pay for that reason, because he neither took mails from one end nor delivered any at the other end.

Q. Then, after you made the deductions on that account, Mr. Walker came to you and told you that both he and Giles A. Smith had looked over the matter and he told you to make the remission?—A. He presented it in this way: He brought the certificates of the postmasters that they didn't send any mail on that route, and he argued that the contractor was not to blame for not carrying the mails, as none was sent by him, and he was ready to do it. I think he had made some attempts to carry mails on the Ouachita, or, rather, he did below the Red River Landing.

Q. Who was the contractor?—A. The contractor on record was named Smythe.

Q. Who was his attorney?—A. I never knew.

Q. Are there any cases where you made deductions and they were afterward remitted on evidence that you didn't think was sufficient?—A. I would sometimes remit fines and deductions by direction, presenting the proof that I had to my superior officer, and taking his direction, which, if I was acting on my own judgment, I would not remit.

Q. Name those cases.—A. I do not think I ought to answer directly in regard to it. I did it more than once, on different contracts; cases where I would not, on my own judgment, have made the remission.

Q. I want to know what contracts they were.—A. I simply remember the circumstances. I think that has occurred in regard to all those contractors named, and others not named.

Q. Name them.—A. I cannot do it.

Q. Can't you name a single case where it occurred?—A. There was a contractor named Votton, in Texas, against whom I made up a case upon the proofs that the postmaster sent. Afterward he sent excuses with reference to the condition of the roads, and floods, and a good many excuses. I thought there were some merits in his excuses, but I would not remit acting upon my own judgment. Colonel Routt was then Second Assistant Postmaster-General, and I talked to him about it. He answered, "That man makes out a case which I think would justify remission." I remember that case particularly, because I know that I felt myself sympathy for the contractor, but I didn't feel authorized to make a remission, and I think cases of that kind have occurred with reference to other contracts.

Q. Have you any other cases in your mind besides the one you have named?—A. Yes; there was some Arkansas contracts—Chittenden contracts—in 1871, I think. I cannot give you the number of the route. It was route from Little Rock, connecting so much of the railroad as was built between Little Rock and Memphis. I know I made considerable deductions that were afterward remitted.

Q. How did they come to be remitted? Did you take that case to your superior officers, too?—A. Yes, sir.

Q. What did they say to that case?—A. My recollection is that I was directed to remit two-thirds of the deduction.

Q. What reason was given why the two-thirds should be remitted?—A. These contracts, I believe, were made when McLellan was Second Assistant, and expired June 30, 1871. I remember this case because it was presented by Senator McDonald, of Arkansas. It was then the practice to excuse for high water. If there was proof to show that they failed to perform the trip because of high water, they were excused. That was then the practice of the Department. When General Smith went into office, he issued an order that high water should not be taken as an excuse for failing to make a trip, and this point was argued in my presence by Senator McDonald. General Smith interrogated me in regard to the proof. I told him that there was no proof that the service was performed, but that the proof was that it was not performed. Senator McDonald said that this contractor took the contract with the understanding that he would not be deducted for failing to carry for high water, and General Smith directed me to remit two-thirds of it. I had no proof when I made that remission; no proof that I did not have when I made the deduction.

Q. What proof had you before?—A. The proof was that he didn't perform the trips because of high water.

Q. Do you remember how long a period that went over?—A. It was during considerable of a quarter. They knew when they took the contract that the mails could not be carried a great deal of the time.

Q. Are there any other cases that you can call to mind?—A. I remitted perhaps a hundred cases, and it was everybody's case that made application when this new order went into effect. I deducted tens of thousands of dollars in a quarter, because I stuck by the rule General Smith gave me, and there was such a general complaint from contractors by letter, and through their Senators and Congressmen, that they were not well used in being deducted, when it was understood when they took the contract that they should not be deducted for high water, that I presume I made a remission in hundreds of cases of that kind, and it was everybody's case.

Q. Have you made remissions when not for high water?—A. I have when they presented excuses. A postmaster will charge a failure in arrival if they do not come on schedule-time; they write the word "failure" on the register against the time they should arrive; I make the deduction, and the contractor complains. He may perhaps call on the postmaster, or, if he writes to us, the Department inquires of the postmaster if that trip was made at all, and he will say it came in late at night, or a horse died, or horses failed on account of heat, or shower, or something of that kind, and came in late, and I have always remitted in such cases.

Q. Did you remit when there was failure to perform service, and you had charged up a fine?—A. I do not remember; I do not know of any now. When the epizootic was bad in 1872, we didn't make any deduction where they gave that as a reason. It was a short-lived affair, and only lasted two or three weeks.

Q. Were not fines on the mail-service on these different routes—Peterson's, for instance—remitted, although you had evidence that the service was not performed?—A. I do not recollect but the two cases I have given.

Q. Were there not frequently cases sent back to you for fines to be remitted on evidence that you thought very slight, and you would not do it on your own judgment?—A. There were a good many cases.

Q. Can you call them to mind?—A. I cannot. I would say they were not uncommon. Perhaps that would occur a dozen times in a quarter when I would not, on my own judgment, make the remission, but I would carry the case to my superior officers, either to the principal clerk, if he were there; if not, I would carry it up further.

Q. Did it not make an impression on your mind that those cases were in favor of certain parties?—A. I have made this remark to my superior in the inspection-division, and perhaps I have further up, that I disliked to make remissions to parties who came here to the Department with their excuses when I supposed that other parties who did not come to the Department and who had just as good cause for remission didn't get it because they didn't ask for it.

Q. Through their personal interference?—A. Yes, by attending to it.

Q. Did you ever talk with Mr. Smith, or Mr. French, or Mr. Lake, or Mr. Flood, or other persons who were in that Department, about those things, and give your opinion about it?—A. I have, perhaps, talked with Mr. Flood, and I think I have talked with the principal clerk about it. I would not go up to General Smith unless I was called there.

Q. I understood that you talked with Holbrook and Mr. O'Brien about it?—A. They were employes of the Department at the time, but I do not remember talking to them about the matter.

Q. Did you ever tell Mr. Holbrook that it was no use for you to make fines and deductions from Peterson's pay; that if they were large they were always remitted?—A. I should not wonder if I did, and yet that might not tell the truth. A contractor, perhaps, would not be at the pains of getting a small matter deducted, but if it were a considerable amount he would obtain the proofs to justify the remission.

Q. What impression did that make on your mind?—A. It would make this impression on my mind: that a contractor who attended personally to his matters at the Department would get a remission when others did not.

Q. Then, your impression is, that those men who were here interceding with the officers that had charge of the matter, would succeed in getting fines remitted when the same fines would be charged and collected from other parties?—A. I think those contractors who came to the Department to settle their matters got more remissions than other parties did.

Q. Then, you don't think those contractors are favored? I understood you to say that there was no favoritism about it.—A. I think that there are thousands of dollars charged against contractors that ought to be remitted. They are away and don't know their rights in the case.

Q. You don't think the others were favored?—A. They were favored to this extent, that they got their remissions.

Q. Did you talk with Mr. Holbrook particularly about route No. 7505, from New Orleans to Vicksburgh?—A. I do not remember. I think our conversation had more reference to other service, the Red River service, but I may have talked with him about this.

Q. Was there anything peculiar about the service?—A. Nothing different from others.

Q. Was there anything that occurred in regard to the fines on that route?—A. I would sometimes make deductions and sometimes remit them.

Q. Were there any fines made and afterward remitted that you did not think was right to do?—A. I might have had my opinion about them.

Q. What was your opinion?—A. I made remissions and deductions when, perhaps, on my judgment I would not make them.

Q. Did you make any fines on this route, from New Orleans to Vicksburgh, that were afterward remitted?—A. No doubt I did.

Q. Don't you know that you did?—A. I would say that I am more or less certain I did.

Q. You remitted fines that you had made, by order of your chief clerk, as you did in the other cases?—A. Yes.

Q. You don't remember what additional evidence came in showing that you were wrong?—A. It was generally certificates of postmasters that trips came in later.

Q. Did proof come in satisfactory to you afterward?—A. Sometimes it did, and sometimes it did not.

Q. How many times did it not?—A. Sometimes excuses would be presented that I would not take the responsibility of acting upon. I would carry them up and ask, "Shall I act upon this excuse?" and take their "yes" or "no," and act accordingly.

Q. Do you remember, in regard to that route, that you made two certificates for the service each quarter from New Orleans to Vicksburgh?—A. Yes; I did that.

Q. How did that come about?—A. There were two contracts, one for two trips a week and one once a week. I had to make two certificates, and I would name the contractor's name in the certificate.

Q. Who were the contractors?—A. T. P. Leathers had a contract for once a week, and a Mr. Coombs twice a week. The number of the route was the same, and I would certify by name.

Q. It was Peterson's contract, was it not?—A. Not of record. It was Coombs's; I do not know who stood behind him. Originally there was a contract given to Coombs three times a week between New Orleans and Vicksburgh, and he relied upon Leathers to carry one trip. Leathers refused to carry under him, and the Department separated their contracts, giving Leathers one trip a week and Coombs two.

WASHINGTON, February 24, 1876.

WILLIAM SICKLES recalled and further examined.

By the CHAIRMAN:

Question. Did Mr. Holbrook come to you in January or February, 1875, and tell you that he was working with J. W. Knowlton, of the Department, and E. H. Woodward, chief special agent, to develop frauds?—Answer. He came to me, he had a conversation with me, perhaps about that time; I know it was in the winter, a year ago, and he mentioned Mr. Knowlton's name; I don't know whether he mentioned Mr. Woodward's or not.

Q. Did he not talk with you in Mr. Knowlton's room in the Department, and in Knowlton's presence?—A. I don't think he did. I never was in Mr. Knowlton's room for five minutes at a time any time, I presume.

Q. Did not Mr. Holbrook advise you that he was working up the Peterson frauds with Mr. Woodward, or any one else, by the request of the Postmaster-General?—A. No, I think not; not at that time.

Q. At any time?—A. Do you wish me to state according to my recollection what he said to me?

Q. Yes.—A. He asked me about a certain service; told me that the Postmaster-General wanted to know the facts about it, and he thought I knew them. I said, "Inspection-clerks cannot reach the Postmaster-General. We seldom ever go to the Second Assistant." He remarked, "Mr. Knowlton will carry you to the Postmaster-General." I told him that I did not want to go with any report to subordinates to have it presented in a different shape from what I would present it myself, and he said that Mr. Knowlton would do it. I don't know that Mr. Woodward's name was mentioned in that connection. I afterward received intimations from Mr. Knowlton that he would carry me to the Postmaster-General. I told him I had not any case of my own, and if the Postmaster-General wanted me he would send for me.

Q. Did you tell Mr. Woodward about it?—A. I told him of this matter that we were talking of just now—this route up the Ouachita River.

Q. Did you tell him anything about the Peterson contracts?—A. I told Mr. Woodward that I did not believe that a route that was being carried from New Orleans to Red River Landing was properly carried; that I had the proofs that it was, but I did not believe them.

Q. Why did you not believe the proofs?—A. I had this: There was already a three-times-a-week service between New Orleans and the mouth of Red River. After this had been carried so for some time, Peterson contracted to carry it three other trips, making six trips a week; and in the reports (from Red River Landing, I think it was) of Peterson's service, the arrivals and departures would be reported by Mr. Koontz's line; that is, Mr. Koontz was reported as carrier. My understanding in regard to the number of boats that he had, was, that he could carry but three trips a week, and I didn't see how he could carry the other three trips.

Q. Did you ascertain afterward that that was wrong by reports of special agents or anything else?—A. No; special agents' reports seldom come to inspection-clerks.

Q. Did you ever see a report that Mr. Holbrook made about that same service?—A. You are now inquiring in regard to a service that expired before this time. I think I have seen a diagram in the possession of Mr. Floyd, the contract-clerk, but I don't know that I had anything to do with it. It may have properly belonged to me; I mean a diagram of the river, showing the bends, islands, and the location of towns on the margins of the river.

Q. Did Mr. Holbrook ever ask you for that report that you are speaking of now?—A. He has asked me about it.

Q. What did you tell him about it?—A. I told him that I did not have it; that I never had had it.

Q. Was your desk the proper place for it?—A. Yes; my desk was the proper place for it if there was a complaint, or anything showing that anything was going wrong.

Q. Was it not a report itself, showing that there was something wrong?—A. I did not read it. I remember seeing the diagram.

Q. If he had reported anything wrong the proper place for it to have gone would have been your desk, would it not? Did you ever see the report or the diagram?—A. Yes, sir. I saw the diagram at Mr. Floyd's desk. I did not read the report.

Q. Do you know what became of it afterward?—A. No, sir.

Q. You are certain it never came from Floyd to you—the report?—A. Never, to my knowledge. I think that Mr. Floyd would sometimes get papers into my desk that perhaps did not belong to me, and he might have brought papers there at other times that did belong to me, that he might not have wished me to see. I don't know, however, whether that is so or not.

Q. You had a conversation or conference with Mr. Woodward in regard to these frauds. Please go on and tell what else you said to Mr. Woodward in regard to the frauds on the Mississippi River?—A. I told him that I did not believe that that service was faithfully performed—the service from New Orleans to Red River Landing.

Q. Did you tell him about any other service there?—A. I don't recollect that I did.

Q. You did tell him about the service from there to Vicksburgh?—A. I don't recollect that we talked of that.

Q. Or Memphis to White River?—A. I may have done so. I know that in the Department I would have spoken about it, but with no reference to exhibiting anything, that I now recollect of.

Q. Was that one of Sawyer's routes that you spoke of yesterday?—A. I don't recollect that I was questioned with regard to Sawyer's service, yesterday.

Q. You spoke of a route in Texas. I did not know but that was one of Sawyer's routes.—A. I spoke of a route in Texas when you asked me about a route carried by another man.

Q. Was that one that you spoke of one of Sawyer's routes?—A. I presume not.

Q. Did you work up any frauds on routes of Sawyer's in Northwestern Texas?—A. I made deductions frequently from his service.

Q. That is, you made fines in the first place, and afterward deducted them?—A. In the office we call it a deduction, if a man fails to make a trip. We fine if there is some improper thing done.

Q. You made deductions—what became of them?—A. Some of them would stand, and some would not—some would be remitted.

Q. How many were remitted; a majority of them, or a small proportion of them?—A. I think that, in the aggregate, of the money that was in them, the larger part was remitted.

Q. You mean to say, then, that the larger ones would be remitted and the smaller ones would stand?—A. Yes, sir; they would be more likely to stand.

Q. You got the facts in regard to those routes from the postmaster and made up a case, charging Mr. Sawyer a deduction from his pay on those routes?—A. Yes, sir.

Q. Can you specify those routes where the largest deductions were made?—A. I think the largest deductions were made on 8533, 8536, 8537, 8538, and 8539. I think there were some considerable deductions on 8537.

Q. On two of those routes that you have mentioned, did you not make a deduction at one time of \$6,000—the route from Boston, Texas?—A. O, that is another route that I have not mentioned; that was route 8619. I am speaking from recollection as to the numbers of the routes.

Q. Tell us about 8619.—A. A deduction of \$6,000 or something more was made.

Q. Did that deduction stand?—A. Not all of that.

Q. How much of it?—A. I think one-third of it stood.

Q. How came the balance to be remitted?—A. If you will let me take my own course, I will tell you.

Q. Well, do so.—A. There were two routes running from Clarksville to Jefferson, one by way of Mount Pleasant, and one by way of Boston. Mr. Sawyer had the route from Clarksville by Mount Pleasant to Jefferson; something in that shape; (the shade

of a pear.) The Cairo and Fulton Road runs on the east side, and runs nearest to the route that runs by Boston, Boston being nearer to the road than Mount Pleasant. Mr. Sawyer did not have that road. That was twice a week service. He was carrying on the other route by Mount Pleasant, three times a week service, and it was increased to six times a week service. The reason assigned for the increase of service was to make connection with the road that was penetrating from the north and the road that was coming up from the south to Jefferson from Marshall; and by increasing his service to six trips a week it would connect the mail-service between the railroads. But the increase was put on the route farthest from the railroad. The office of Clarksville reported the six-times-a-week service on this route, 8619, as being performed with a great deal of regularity. The postmaster at Jefferson would not report for some time—perhaps one or two quarters may have passed without a report from him, and I kept calling on him for the report. When the time came for certifying the service, I would submit the question whether I should give the certificate without a report from Jefferson, and I was told if that end of the route showed no failures to give the certificate, and I did so; and after it had gone along in that way for, perhaps, three quarters, I wrote the postmaster a letter—not our usual circular-letter. I wrote a letter to him saying that he must report that service; and, after writing to him making inquiries, I had, somehow, a suspicion excited in my mind, and I wrote to him in this wise: “You are entitled to eight mails a week from Clarksville; six by Mount Pleasant and two by way of Boston; do you have them, and have you had them?” He answered that he had had only six mails from Clarksville, three by way of Mount Pleasant, and three by way of Boston. Following up the inquiry I found out that Mr. Sawyer became the subcontractor upon the other route that is run by Boston, and that he ran his six trips a week, but that the other route did not perform two trips—that is, there was not eight trips performed. He simply performed one extra trip. There were five trips contracted for, and he performed six.

Q. You made a deduction of \$6,000, you say?—A. Something over \$6,000. When I got to know this, I charged all this failure to perform the service. There was two-thirds of it remitted, and I understood that the ground upon which the remission was made was that he had—I don’t know that I should undertake to state it, for it is not clear in my own mind, but at any rate it was remitted.

Q. Were you sent for by Postmaster-General Jewell at any time in regard to this Sawyer route that we have just been speaking about?—A. Yes, sir; that is the only route, I believe, that the Postmaster-General ever sent for me about, and that was through Mr. Knowlton.

Q. Did you have the papers with you, and explain the case to Postmaster-General Jewell?—A. Yes, sir.

Q. Did you explain it to him as you have explained it to the committee?—A. Yes, sir. The remission had been made before this, however.

Q. Under whose administration had it been made?—A. It had been made by the direction of the Postmaster-General, but it had not been presented by me; I don’t know how it was presented to him.

Q. Well, it was Postmaster-General Jewell who had made the remission previous to the time that you went to see him?—A. Yes, sir.

Q. What action did he take after you had the interview with him?—A. I don’t know of any action having been taken; this was after I had left that desk.

Q. Was not Mr. Sawyer’s statement taken against yours in that matter?—A. Yes, sir; I suppose so.

Q. And, notwithstanding the fact that you had reports from the postmasters corroborating your statement, and you had made the fines on that statement, the fines were remitted on Mr. Sawyer’s statement, were they?—A. Yes, sir; but I believe he put in some proofs—I don’t know what they were. They were what might usually be received, I suppose. If I had not had my suspicions excited I might have received them.

Q. Why do you say they were “what might be usually received?” What were they?—A. We took the postmaster’s certificate as sufficient, as a general thing.

Q. But it was not there, was it?—A. Not when I made up the case; but I think that Mr. Sawyer afterward got the certificate from the postmaster at Clarksville.

Q. And you had letters from the postmaster explaining?—A. Yes, sir; but I have not given you an understanding of this whole matter. As the road from the south got above Jefferson Mr. Sawyer carried the mail to connect with the end of the road, and there was proof presented. I think that he carried the mail six times a week to the end of the railroad, and he probably, if anybody, paid the railroad for the service from there to Jefferson. If I had a map here I could show it to you precisely.

Q. If you know of action that was taken by the Postmaster-General after you had the consultation with him, state it.—A. I understood that the matter was going to be investigated by special agents.

Q. What did you tell him in that conversation after the fines were remitted? What did he want to know from you?—A. He seemed to have had the matter related

to him from my stand-point, and he asked me with reference to the service, and I told him precisely my understanding of it.

Q. As you have told the committee?—A. Yes, sir.

By Mr. McMAHON:

Q. You adhered to the propriety of the deductions you had made?—A. I did.

Q. Did he tell you in this conversation what had induced him to remit the deductions that you had made?—A. I think I understand precisely what induced him.

Q. Did he tell you?—A. Yes, sir; I think he did.

Q. What did he tell you?—A. He told me that Colonel Routt represented to him that, having been misled in the matter, he had given his word to Mr. Sawyer, under, perhaps, a misapprehension—knowing that he carried the route from Clarksville to Jefferson, he supposed that he carried the nearest route, the one going by Boston—that he had that understanding of it, and that he had supposed that the increase of service was on that route.

Q. Then Colonel Routt afterward told the Postmaster-General that he was mistaken, did he? Was that what the Postmaster-General said?—A. I think the Postmaster-General said that Colonel Routt, with the understanding he had of the matter, had said to Mr. Sawyer that if he connected service with the railroad, that if he made that six trips a week, between Clarksville and the railroad, it was just what he wanted.

Q. Did I understand you to say that Colonel Routt had promised Mr. Sawyer that he would have those deductions remitted, and that that was the reason why the Postmaster-General remitted them?—A. I understood the Postmaster-General to say that as Colonel Routt presented the matter to him, he believed that he acted properly in having the deductions remitted.

Q. Did the Postmaster-General say to you in the conversation you had with him in regard to this deduction, that he had made it on the representation of Colonel Routt, and that Colonel Routt had been mistaken in regard to it?—A. I don't know but I have got two conversations mixed together.

Q. Answer that question.—A. I don't know. He said that he had made the remission because Colonel Routt felt that he was pledged, that he had given Mr. Sawyer that contract.

Q. That he had given Mr. Sawyer a pledge that he would do it?—A. No.

Q. Whom had he given the pledge to?—A. That he had given the pledge in reference to the contract, and that he regarded the service as being a fulfillment of the contract.

Q. That he regarded the service six times a week as a fulfillment of the contract for eight times a week service?—A. He did not say so, but that he considered the service as performed, a fulfillment of the contract.

Q. Was not the contract for eight times a week? Mr. Sawyer's contract was six times a week, but he got the other contract to Boston?—A. Well, we do not recognize a subcontractor.

Q. What was the reason that Colonel Routt considered that Sawyer's service was performed six times a week?—A. He took the proofs that were there, and Sawyer's word.

Q. Well, you had no such proofs, had you?—A. They did not satisfy me.

Q. Going back to the Postmaster-General, and the conversation you had with him, I asked you what action he took, and you said that he said that he would send out special agents to investigate it?—A. My recollection is that he said he would have that matter investigated.

Q. Did he send a special agent to investigate it?—A. I don't know. I was removed from that desk and had nothing more to do with it; and that conversation with the Postmaster-General is the last I know of it.

Q. Were you interviewed by any special agent in regard to it?—A. No, sir.

Q. Have you ever heard about it since?—A. No, sir.

Q. How soon afterward did you leave that desk?—A. I had left it before I saw the Postmaster-General. I left the desk in December and went to the contract-office. I was called on perhaps two months later; I don't know the time precisely.

Q. How soon after you made those deductions were you taken from the inspection-office to the contract-office?—A. I think within six weeks. I may not be correct about that.

Q. Was the fine remitted while you were still at the inspection-desk?—A. Yes, sir. If the deductions were made up on the quarter ending 30th of September, 1874, it was probably remitted near the 1st of December, 1874; and I left the desk before the end of December, and that is the quarter on which I think the deduction was made, although it ran back through the whole of this increased service.

Q. Who transferred you or had you transferred?—A. Colonel Routt directed me to take the other desk.

Q. How long was that before Colonel Routt left?—A. I think two months; it was in December, and I think he left in the March following.

Q. Did you ask to be transferred to the contract-office?—A. No, sir.

Q. Were you ever advised by anybody to be careful what you did in regard to any of these contracts or contractors?—A. Not by anybody standing above me.

Q. In the same relation, then?—A. Mr. Floyd used to tell me sometimes to "go cautiously."

Q. Any one else?—A. No one that I think of. I might have had remarks from fellow-clerks. I felt annoyed.

By Mr. McMAHON :

Q. You felt what?—A. I felt annoyed. There was a feeling of unrest or disquiet about having the work come back in that way. I didn't like it. I would put my best judgment on it; and I didn't like to have contractors, who were present here at the Department looking after their business, get their deductions remitted, and the poor fellow who was carrying his service on a cheap route, perhaps his deduction would stand, because he did not ask for its remission. I felt a little annoyed.

By the CHAIRMAN :

Q. You felt like taking the side of those that were away?—A. Well, I did, a good deal. It is not an uncommon thing for clerks there to make suggestions to one another.

Q. Did not these contractors who were here and in the habit of getting their fines remitted bring influences to bear within your knowledge?—A. O, not within my knowledge; they were not with me a great deal.

Q. What do you know about that?—A. I do not know that they did.

Q. Haven't you heard so in the Department?—A. No; I have not heard so any more than rumors that might be heard on the street.

Q. What rumors were in the Department?—A. There used to be remarks about contractors that were here in Washington, that it paid them well to be here, and so on.

Q. Who made those remarks?—A. I do not think that a great deal of significance should be given to it. The clerks would talk it over. I was inspection-clerk; I would hear other inspection-clerks say, "Well, I remitted such a matter;" and we would make our remarks among ourselves about those contractors who were about the Department so much—whether just or not, I don't pretend to say.

Q. You felt that those contractors were favored more than those who were away?—A. I felt that they sometimes got remissions which they would not have had if they had not been here.

Q. Answer that question whether you did not feel that they were favored over others?—A. I think they had advantages that men less acquainted with the business had not.

Q. I want you to answer the question, whether they were favored over other contractors?—A. Not favored over other contractors.

Q. You think they were not favored then?—A. I think that other cases would have been remitted if the parties had been here.

Q. Why do you not want to answer my question?—A. I would just as lief answer. I say no; but when I say *no*, it does not cover the question, and if I say *yes* it would be further from the truth.

Q. It is neither yes nor no?—A. I would say no, if I have got to make a direct answer.

Q. That they were not favored?—A. That they were not favored. I have no doubt but that they had cases remitted that they would not have had if they had not been thoroughly acquainted with their business.

Q. Did Mr. Lake ever give you any orders in regard to any of those contracts or contractors?—A. Not that I know of, any more than others.

Q. Did he give you any orders in regard to them?—A. In what regard?

Q. In any regard. I want to find out what you and he did together. Did he ever give you any orders in regard to any of these contracts?—A. Nothing specially, because it was these contractors—any more than what he would give in relation to any other contract that I know of.

By Mr. McMAHON :

Q. How would you be able to tell that, if these other persons were not here and never got the orders?—A. When papers come to my desk upon which a matter of remission might be made, if I was satisfied with it, I would draw the order.

By the CHAIRMAN :

Q. Did not Mr. Lake come to you sometimes and give you an order to remit fines?—A. Yes, sir; sometimes.

Q. In cases where you thought that the fines ought not to be remitted?—A. I have made remissions that I would not have made unless I had been ordered to make them.

Q. You were ordered to make them by Mr. Lake?—A. There was more of that before Mr. Lake went to that desk than there has been since.

Q. After Mr. Lake went to that desk did he order you to remit those fines—any of them?—A. No; I do not know that he has. I do not know that he has not. My mind now does not go to any case where he has ordered me to remit.

Q. Did Mr. French?—A. No. Mr. French was a man that I never had anything to do with until I went to the contract-desk.

Q. I did not know but he had something to do with you.—A. No, sir.

Q. Why didn't you have something to do with him?—A. Well, inspection-clerks never went past the principal clerk unless they were called up, and call for us would be by the Second Assistant.

Q. Then it was not usual for Mr. French to send down the orders to you, but they came from your head clerk?—A. Yes, sir, generally.

Q. Then Mr. French would not send down the order, but it would come from Mr. Lake?—A. It would usually come from Mr. Lake.

Q. Then it would be a very unusual thing for Mr. French to send down an order to remit fines. Did he ever do it to you?—A. I do not know that he did.

Q. Did you ever signify in any way an intention to resign rather than do certain things that you were ordered to do in the office in regard to the remission of these fines on any contract or any contractor?—A. I do not know. I know that I meant to resign at one time, and I meant to give a very strong intimation. I do not know whether I said it in express terms; I presume I did not. It was some time back. I was contemplating, either going home to my family in Michigan and leaving the Department or bringing my family on, and I had pretty much made up my mind to bring my family here. This was in 1870, and a little while before I was to take my leave, before I intended to ask for it, there was a lot of this work came back to me for remissions, and I said to Mr. Watkins, "I don't want any more of this work; I am afraid that I am not willing to do it. I wish you would consider the matter of giving me a different desk," and so on, and I think I gave an intimation that I had not much of a disposition to stay at the desk.

Q. And the reasons that were operating on your mind were that you did not want to do that kind of work, because you thought it was irregular?—A. Well, it was not irregular, but I did not like it.

By Mr. LUTTRELL:

Q. You could not conscientiously do the work that was assigned to you?—A. I did some work that I would not have done on my own judgment. Of course, I suppose, that men standing above me have better judgment than I have.

Q. Your conscience told you that the work that was assigned to you to do was not right?—A. Well, I did some things that I would not have done, acting on my own judgment.

By the CHAIRMAN:

Q. Did you ever tell Mr. Holbrook that you had refused or disliked to do that kind of work, and allude especially to that Ouachita case, and state that you had been keeping papers together for some time, because you thought there would be trouble about it?—A. I presume I did.

Q. Then you thought there would be trouble about it?—A. I did not know but there would.

Q. You were afraid there would be; is that what you mean?—A. That would not tell it exactly. I thought it likely there would be. I had no occasion to be afraid that I know of, but I thought it as likely to make trouble as not.

Q. Do I understand you to say that you think all the contractors who were about Washington were enabled to secure certificates without the proper evidence from post-masters, when they applied for them in the Department personally?—A. There was, perhaps, a year or two in which it was the practice of the Department to give certificates upon request, before the proofs for the last month's service would be received.

Q. When was that practiced?—A. I should think from the summer of 1871 to about up to June, 1874.

Q. That was in Mr. Creswell's administration, then?—A. Yes.

Q. Was it not the habit to do that thing up to the investigation by Congress in 1874?—A. I don't know when the practice broke off, but I should think about two years ago.

Q. Don't you think it broke off about that time?—A. Perhaps it might. I do not know.

Q. Is it not your best judgment that it did break off about that time?—A. I think about two years ago; I guess it was about that time.

Q. Do you think that manner of doing business, the way in which these fines were remitted, as you have described, was regular and proper?—A. You don't wish me to sit in judgment upon my superiors.

Q. Yes; I want you to sit in judgment, and according to your best judgment.—A. There were remissions that I would not have made, acting upon my own judgment.

Q. I ask you whether you thought that manner of doing business that you have described, and that you would not have done yourself, if you had acted on your own

judgment; do you consider that regular and proper?—A. I do not know how I can answer it any better. I should not have done it myself. I did not think it was right, sometimes.

Q. Why would you not have done it? Would you not have done it because it was not regular and proper?—A. Well, I am more cautious than some men. I may want more proof than some men.

Q. Then you can answer the question whether you think it was regular and proper or not.—A. I do not want to say of my superiors that their judgment is not as good as mine.

Q. I will not press you any further on that. What would be the result if all contractors were treated in the way in which those contractors that were round about Washington were treated, certifying without proof and remitting without proof? What would be the result in the management of the mail-contracts of the Departments?—A. Well, I think it would induce a looseness of practice in the Department that would not be good.

Q. That would be very deleterious to the public service, would it not?—A. Yes, sir; I think so.

By Mr. LUTTRELL:

Q. How long have you been in the service of the Department?—A. I went in in April, 1869. I am still in the Department.

By Mr. AINSWORTH:

Q. I understand you to say that it was the habit to remit fines and deductions for any contractor who came in person to your office?—A. If I said so, I have not understood myself.

Q. Then explain what the difference was between a man here and a man who was not here, both making application for remission.—A. A man that is present here at the Department can keep pressing a case; perhaps ascertain the reason why the remission is not made—can find the missing proof or something of that kind. He has an advantage of being better advised and better informed than a man who does not come here. Without this pressure the man that does not come here has a superior chance over the contractors who are present, at least I think, with the inspection-clerk. I know for myself that I would attend to the matters of a contractor not present a great deal quicker than I would those of a man who came here, and, if he made as good a showing, I would sooner draw the order for his remission—I mean clerical work, which is, of course, all I could do.

Q. Then, when you speak of a man being here having the advantage, you only mean that he made up his proof better, made perfect proof?—A. That is what I meant to say.

Q. And there was no case in the Peterson or Sawyer contracts where remissions were made with them present, unless the proof was perfected?—A. Not commonly. There were exceptional cases; I spoke of one yesterday.

Q. Was it true that you yourself, when the proof was made perfect, were ready to remit? Was it not your duty as inspection-clerk?—A. If I believed in the proof. I would sometimes feel undecided in my own mind, and I would carry it up, saying: "This is the proof, what shall I do with it?" I never went different from my instructions.

Q. Then there never was but one case, to your knowledge, in which a remission was made where the proof was not complete?—A. I think I stated here Saturday, that there were more than one hundred cases where the deductions were made under the contracts expiring on the 30th of June, 1871, made in 1867, when high water carried the mails as well as horses. I presume that I, at my desk, made one hundred cases of remission. There would be some present.

Q. But in that case the Department held that they had complied with the spirit of their contract?—A. Yes, I suppose so.

Q. Now I ask you, while you were at that desk were there any remissions except these which were made on account of high water in accordance with the previous rule of the Department, where the proof was not perfect, except this one case of which you have spoken?—A. Well, my mind goes to two cases. The other case perhaps should be excluded from your question. I do not now remember but the one that I speak of, and in that case two-thirds of the deduction was remitted.

Q. Then your disagreement with the Department as to the right to remit, was upon the quality of the proof and not the quantity?—A. O, I have no disagreement with the Department.

Q. Well, your judgment is different from that of the Department?—A. Yes, sir; it was as to the quality.

Q. What were the doubts which suggested themselves to your mind regarding its truthfulness?—A. I can tell that best by giving you my stand-point. I know that in Texas one contractor had a wonderful influence. I know from correspondence that

would drop into my hands. After I got well acquainted with my work I never gave a great deal of credit in my own mind to the majority of the reports that came from Texas.

Q. Who was that contractor?—A. It was Mr. Sawyer. I think they thought down there that he ran the Department or had his own way, and they would report a failure, and then the same postmaster would certify afterward that the trips were made, would contradict his own former statement, perhaps.

Q. At what time in the month succeeding the end of the quarter was Sawyer in the habit of applying for his certificate?—A. He would get it very early. I have made it from the first to the fifth, sixth, or seventh.

Q. And the proof was complete in those cases?—A. No, not the last month.

Q. You made a full certificate for the entire quarter?—A. Yes, sir.

Q. Was that the practice in the Department, upon proof of two months' service, to give a full certificate of performance of the three months' service?—A. It was not the practice, except upon application.

Q. They did it for everybody that asked it, did they?—A. I think they did. I do not know that anybody was refused.

Q. You never refused anybody that asked you for it?—A. There did not anybody ask me.

Q. When notified to send up the certificate, you never informed them that there was a lack of proof as to the last month at all?—A. O, in these cases they would know that the proof was not in for the last month. My service lay off in Louisiana, Arkansas, or Texas, and I could not receive the proof by the first of the month, although I would certify it perhaps on the first day.

By Mr. LUTTRELL:

Q. You would certify it, although you had not received it?—A. Yes, sir.

By Mr. AINSWORTH:

Q. Your certificate was a certificate of full proof?—A. I think so. I have not looked at one for some time. It is a printed form.

Q. Were you ordered on full proof to make a certificate of the different services on the route? What was the order to you?—A. To certify the routes. To give the usual certificate.

Q. From whom did you receive that order?—A. I would sometimes receive it from the Second Assistant, but more commonly from the principal clerk.

Q. Was Mr. Routt Second Assistant at that time?—A. Yes, and General Smith was before him.

Q. Did you ever receive certificates of service, which were from Texas and those States, and which you knew had not had time to reach you from the close of the month?—A. No, I do not know as I ever did. I should qualify one thing that I have said here. We all understood this, that the last quarter of a man's contract should not be certified until the proofs were all in, if it took three months after the expiration of the service; for this reason, that we would have nothing to stand upon if there were deductions to be found against the contractor. We never did it on an expiring contract. We did it on a contract living along.

Q. And you never knew of any losses on account of deductions being made and the contract expiring?—A. No, I do not know that I did.

Q. Did you ever know of any losses on account of those certificates on the Government to suffer in any way by reason of them?—A. I do not know that I do. I know that I never gave a certificate on an expiring contract until the last proof was in.

Q. I am not speaking of that. I am asking about those other certificates; did you ever know any losses to the Government on account of those certificates?—A. No, sir.

Q. But it was the rule to make those full certificates of full proof when you had not the full proof, on request?—A. I have not said full certificate. I said the usual certificate. The certificate does not say that the service has all been performed. It says that all fines and deductions have been made.

Q. And it was the rule to give that certificate when there was a month wholly unadjusted upon a contract, when requested?—A. It was for a while.

Q. For what cause are your fines and deductions made?—A. We deduct for failure to make a trip, for a half-trip, or a quarter-trip, so much *pro rata* as they fail to perform.

Q. Then you could not know that all fines and deductions had been properly made until you had a report from the route, could you?—A. No.

Q. You say you had suspicions of Sawyer's proofs; from what cause?—A. I have given my reason that, in my judgment, he had a good deal of influence among postmasters in Texas.

Q. Did you think he had any influence anywhere else?—A. I do not know that he had any improper influence.

Q. I do not ask you what you know; you have given your judgment of his influence

with the Texas postmasters; now I ask you if it was your judgment that he had other influences with the Department?—A. I do not know that he had.

Q. Was it your opinion at that time that he had?—A. I have had suspicions sometimes that he had more influence than he ought to have.

Q. With whom and through whom?—A. You are asking me to swear to my opinion.

Q. Yes, sir, I am asking what your opinion at that time was. You say you had suspicions that he had more influence than he should have?—A. Well, my idea was that his influence was exerted very much through the contract-clerk; that is what I thought. I had that which satisfied my own mind; it might not satisfy anybody else.

Q. Who was the contract-clerk at that time?—A. His name was Floyd.

Q. Did Mr. Sawyer, to your knowledge, have, or did you at the time understand that he had, persons who were prominent in the Government, and not connected with the Post-Office, interested in his behalf at the Department?—A. No. I do not know that I so understood.

Q. Did you ever know of any persons other than Mr. Sawyer or Mr. Peterson going to the Department to inquire about or do anything regarding the contracts or the pay of Peterson or Sawyer?—A. I do not know that anybody ever came in Sawyer's behalf. There was a General Hovey that used to come sometimes, in the absence of Dr. Peterson.

Q. Did you know Senator West or Governor Alcorn?—A. No; I would not know them if I should meet them here. I am not a popular man with contractors; they would not introduce me to their Senators and members of Congress, and I am very apt to be about my own business.

Q. What appeared to be the difficulty about those proofs filed by Sawyer? What caused your suspicion?—A. They were too good. That was what ailed them generally.

Q. Were you in possession of any facts to convince you that they were untrue?—A. Yes; a postmaster would report a failure on the register, and the inspection-clerk would tax the failure. Maybe that same postmaster afterward sends on word, "My clerk made out that report, and I have looked over the original in my office, and I have made inquiry, and find no failure on that day, but the mail arrived late; there was no disconnection of mails."

Q. In that case, did you ever make any attempt to verify the correctness of those reports?—A. No; I do not know as I did. There was no way of reaching the postmaster, off a thousand miles.

Q. Did you ever call the attention of any of your superiors to the suspicions which you entertained?—A. I have said to the principal clerk more than once that I had too much proof entirely, or something of that kind. He knew my mind in regard to it. As an inspection-clerk, I took more pains than some inspection-clerks did. I was not satisfied with the certificate of the terminal postmasters of the route; I thought that it was made in the interests of the contractor instead of in the interests of the public. In such cases, I inquired of the officers of the intermediate offices, thinking that if they had not had the mails they would feel aggrieved, and would tell the truth. I used to send out a circular of inquiry to those intermediate offices, and would sometimes trip the terminal postmasters in this way.

Q. Did you do that in these cases?—A. I think I did; I don't remember them just now.

Q. Did you do that before or after you certified the certificate?—A. O, I think it would be after; because I do not believe that the Department would be without remedy when the contract was living. I have made up "cases" on failures two years back, when I got the proofs.

By Mr. McMAHON:

Q. These letters that you received in answer to your letters of inquiry, are they all preserved in the Post-Office Department?—A. I presume so. They were there when I left the desk.

Q. When you had that case of \$6,000 deduction, of which \$4,000 was afterward remitted, did you adopt that plan of writing to the intermediate postmasters?—A. I inquired, I think, of every intermediate office in that case.

Q. You had pretty complete evidence to satisfy you, had you not?—A. I was thoroughly satisfied that he performed just six trips, where his contract called for eight trips a week.

Q. Those deductions were made by you after Mr. Jewell came into office, as I understand?—A. My recollection is that they were taken out of the third quarter of 1874. I think Mr. Jewell came in September, 1874.

Q. How did it come that Mr. Jewell sent for you in that particular matter? Do you know who was stirring up the matter?—A. I suppose I know. I think that Mr. Holbrook was the instigating cause of my being called for.

Q. It was in the power of the Department to have rectified this remission if it had been improperly made, and to have saved that \$4,000 even after that date, if the Department had been imposed upon?—A. I suppose so.

Q. Governor Jewell sent for you with a view to look into this matter and ascertain the situation of the case from your stand-point?—A. I suppose so.

Q. Did you tell him about having written to these intermediate postmasters and take with you all the papers that related to this failure of service, when you went to see him?—A. I had left that desk before I was called in to him, but I told him I could not clearly show him the case without that case was brought to us, and he had it brought in. There were only particular papers that I called his attention to.

Q. You adhered, did you not, in that interview decidedly to the opinion that you entertained at the time you deducted the entire \$6,000?—A. Yes, sir.

Q. Did Governor Jewell show you any of the proofs to the contrary as against your judgment?—A. No.

Q. What opinion did he express to you in that conversation as to the correctness or incorrectness of your deduction?—A. He did not censure me, at all.

Q. Didn't he go farther?—A. He said that he wanted that inquired into. That he wanted it investigated and followed up.

Q. Didn't he state that that was a fraud upon the Government; that it should be looked into and the matter opened up; that you were right and the remission was wrong?—A. I do not think that he did in those words. I went away from him believing that he was satisfied that so far as I had acted, I had acted rightly. I went away with that impression.

Q. Didn't he go farther and say to you, or intimate to you, that the proof that you had could not be overcome by any proof that might be on file in behalf of the contractor?—A. I don't know as he did.

Q. Was not that the impression that you derived from the interview with him, that you had thoroughly satisfied him that the remission was wrong?—A. No, I do not know as I could answer that question affirmatively fully. My impression was that he was not dissatisfied with me, nor quite satisfied with the situation of the case, and that he meant to know more about it.

Q. And that he was going to send somebody specially to look into it?—A. I went away with that impression.

Q. Is it not very easy for a contractor who has actually performed service to bring the fullest and most satisfactory proof to the Government that he has done so?—A. As a general thing it can be done; and yet, I think, there are cases when they cannot. I believe that postmasters sometimes have some little disagreement with the carrier, and will act badly sometimes.

Q. But suppose that an issue arises between the Government and the contractor as to whether he has carried the mails, is it not easy for him, by getting outside proof along the route, to furnish all the proof that the Government desires, to show that he has performed his service?—A. Yes, sir.

Q. On the other hand if the postmasters are in the interests of the contractors, and not very reliable men, is it not very easy for the Government to be positive as to whether full service has been performed?—A. I have no doubt it is.

Q. In the case of an application for the remission of a fine ought not the contractor to satisfy the Government by very full proof that he has performed the service before the remission takes place?—A. Generally I should say he should, but you have not, from what I have said at least, obtained a full idea of the practice. The Department promises to obtain those proofs; it does not throw it upon the contractor; and if a postmaster were neglectful after calling upon him time after time, and failing to get a response, in such cases I have made up a case, feeling that I did not know whether the service had been performed at that end, but it had been performed at the other end, and so I would deduct. When I got the proof from the postmasters, or anybody else, that the service was performed—proof that came in a way to be believed—I made a remission, and a great many remissions are made in that way. We make deductions when we do not know whether there is a failure or not—when we have no proof that the service was performed, nor proof that there has been a failure. To be on the safe side we make the deduction if the man wants his route made up to get his pay.

Q. In Texas have not postmasters generally been pretty well up to time in their returns for Sawyer?—A. Generally.

Q. Do you know the firm of the name of Flint & Bixby, contractors?—A. No, sir. I have heard the name in the Department, but I do not know where it is located.

Q. Is there any particular connection in which you have heard the name mentioned?—A. No, sir.

Q. Did you know Morgan L. Smith when you saw him?—A. No, sir; I do not know that I ever saw him.

Q. You heard of him frequently, of course?—A. Yes, sir.

Q. What connection was he commonly understood to have in the Department with the mail contractors or any of them?—A. In some way the opinion obtained that General Morgan L. Smith represented contractors, more or less, at the Department; but I never saw him that I know of, and do not know what he did.

Q. But he was understood, pretty generally, to be about there and representing them?—A. Yes. I presume that three-fourths of the clerks in the contract-bureau knew him when they saw him, but I did not.

Q. Do you know that man Rothrock, the messenger?—A. Yes, sir.

Q. Do you remember the explosion there about discovering a forged seal for bids?—A. Yes, sir.

Q. There was a good deal of stir in the Department about that time, was there not?—A. Yes.

Q. When did that discovery take place?—A. Less than a year ago. It resulted from the openings of the first of this month last year.

Q. Rothrock was implicated in some way, was he not?—A. I have understood that he was.

Q. It was understood at one time in the Department that he was to be discharged, was it not?—A. Yes, sir.

Q. Do you remember his going up and down the passages when he was discharged, saying that he had "seen it with these eyes"?—A. I never heard him say so.

Q. Was it not commonly understood that he went about, saying that he had "seen it with these eyes;" that if he was to be discharged he would tell the whole thing? State what it was about the matter.—A. I do not know. You will have to get that from some other witness. I do not know that I ever heard about it.

Q. You have heard that talked about, haven't you?—A. I don't know.

Q. That he had "seen it with these eyes;" and if they discharged him he would tell the whole story?—A. I do not know anything about that.

Q. Did you never hear anything about it at all?—A. I have heard that he swore in court that he had seen it.

Q. Had seen what?—A. Had seen a false seal or stamp. It will be rumor, anything that I could say about it.

Q. Didn't he go about the Department and speak about having seen something else than the seal with his "two eyes"?—A. I do not know.

Q. Did you never hear any clerk or any one connected with the Department say that he had heard him make that statement?—A. I do not know that I have.

Q. You could give no name of any person that you ever heard say that?—A. No, sir.

Q. He was discharged one day; how soon was he put back?—A. I do not know how soon. He was not put back in the same place. If you were acquainted with him I do not think you would find any fault with his being there, if he could do anything.

Q. He is still employed in the Department?—A. I do not know. I understand that he is.

Q. If we were to call for the history of any particular route we would get the full detailed history of it so that we could understand it, from the Department?—A. I presume so. I have not seen those files for a year or fourteen months.

Q. All the correspondence is kept under the particular route?—A. It should be.

Q. You do not know of any papers ever being destroyed?—A. O, yes; I know of papers that I cannot find, and that I wanted very much sometimes.

Q. Relating to what matters?—A. Relating to matters which came under my own hands.

Q. Do you mean to say that you did not find them where you yourself put them?—A. Yes, sir.

Q. Do you mean by that to imply further that they have been abstracted or are missing?—A. I cannot account for it.

Q. You have no charges to make against particular persons, but still you do not understand how they can have slipped away from where they were unless some person has taken them out?—A. No, sir.

Q. In what particular cases could you instance those losses of papers when you are now in the contract-office, and when you were inspection-clerk?—A. It may not go in with this matter, but there is a case that I made myself, recognizing service which, if there is anybody in the world did wrong in it I was the man, and I would give a good deal to find that case and I cannot. That is the case in which Mr. Chidester was the contractor. If the case could be found it would justify me, and I would be very glad to find it, and I am not able to do it.

Q. What route was that on?—A. Route 7615. I do not know that there was anything wrong about it only that I cannot find it.

Q. It would justify you in what particular?—A. It would show that I had sufficient authority for doing what I did in the premises.

Q. What was it that you had done in that case?—A. I had recognized service for a quarter. I had proof afterward that it ought not to have been, but I could not find the case. I have not mentioned this to my superiors in the office, and I perhaps should not have mentioned it here, but you asked the question, and I have answered it.

Q. Was that service that had been put on by the postmaster in the absence of a contract?—A. Yes, sir.

Q. And you had accepted and recognized that service?—A. Yes, sir.

Q. Was your mistake in recognizing the service as having been performed when it had not been performed, or was it in some other way?—A. The proof was that the man in whose favor I recognized the service did perform the service. That was the circular of the postmaster. It subsequently appeared that it was performed by the contractor, and the postmaster himself, I think, acknowledged it afterward.

Q. That is, that the contractor had really not failed on his contract, but had performed it, and you had been recognizing the service of some outside party?—A. I had done it for one quarter.

Q. Somebody has stolen the papers?—A. I do not know what became of them. I cannot find them.

Q. What was done with the postmaster who certified to you that he had made the contract?—A. He is not in office. His name was Dr. Reed, I think, of Rockport, Arkansas.

Q. He is the man who would be at the head of the route?—A. Yes, sir.

Q. This man Chidester was paid?—A. Yes, sir.

Q. He was a contractor on other lines, was he not?—A. Yes, sir.

Q. He has contracts at this time?—A. He has some service.

Q. This recognized service that you made up and paid has not been deducted from him at all; it could not be in the absence of the papers?—A. No; I suppose not.

Q. What you want with these papers is to justify yourself, to show what you acted upon, and, at the same time, to do right to the Government, by getting back this money that was paid improperly?—A. Every step except finishing has been taken in the matter. A special agent has been down and has made his report, and the matter is in Judge Spence's hands.

Q. What special agent made the report?—A. Mr. Edgerton, I think.

Q. How long ago did this transpire?—A. I made that recognition on the fourth quarter of 1874.

Q. How long have these papers been missing?—A. I did not look for the papers for some months, perhaps it may have been two or three months afterward, when I looked for that case, and I could not find it. It was made early in January, 1875.

Q. Had you no well-grounded suspicions as to who took or mislaid your papers?—A. O, no, sir; I cannot say that I suspect anything about it, only that they are gone.

Q. The papers are open to a good many people, I suppose?—A. The Department are perhaps going slow, but they have followed the matter up.

Q. But there has been nothing arrived at or determined in it yet?—A. I think they are seeking how to get that money back.

Q. But it would be easy to retain it out of Chidester's pay on some other contract?—A. Well, it would take some time.

Q. How much did it amount to?—A. I recognized for one quarter. It had been recognized for three or four quarters by my predecessor on, I suppose, the same kind of proof that I had.

Q. So he really had been getting pay for the whole year, when he was not doing anything in the way of service?—A. The fact is, one man carried the mail all the time, and he was hired by the contractor and by Chidester both, to carry the mail, and he would get his pay from the contractor, and tell him he was carrying the service all right, and he would get his pay from Chidester also, I suppose.

Q. If you recognized the service the Government is out of pocket, is it not?—A. No; the contractor is the man that is suffering so far, but the Government will have, probably, to pay the contractor for the service. The Government has not paid the contractor yet.

Q. But it is under an obligation to pay him?—A. I suppose so.

Q. And it is because the Government is responsible to the contractor that it is now trying to ferret the matter out, to get the money back from Chidester?—A. I suppose so.

Q. In what other instances have you found papers mislaid that had immediate connection with the business of the office?—A. I do not think of any now. Certain papers are missing. In one case that I speak of, this case that has been spoken of several times in Sawyer's service, there is not any material paper gone. I had made a sort of statement of the case, and put it into the "case," and when I was called upon to make a remission I exhibited that, and when it came back that was not in it.

Q. Where had you left those papers?—A. I had left it with my principal clerk, I suppose. I had on a piece of paper a memorandum of the case previous to my writing up the brief. And when the case came back that was out, and I put my original memorandum in just as I made it, so that so far as that supplies it it is supplied.

Q. That is the Sawyer matter that you were speaking of a while ago?—A. Yes, sir.

Mr. Cannon asked that the witness be instructed to bring the papers in the case where the \$4,000 was remitted; in the Ouachita case and in every other case where there has been alleged improper action.

Adjourned.

WASHINGTON, *February 28, 1876.*

WILLIAM SICKLES recalled and further examined.

The WITNESS. In some evidence that I gave on Thursday, I think I admitted that a certain certificate made before the reports were all in, might be regarded as a fraudulent certificate. I had not seen a certificate in fourteen months. I was not really satisfied with my testimony in that regard, and I have brought a copy of a certificate here, and if in my testimony I have said that it was fraudulent, I think the certificate would not justify my evidence. The certificate says, "All reports to your office of fines and deductions for the quarter ending ——— on route ——— have been made. So far as returns from the post-office have been received, it is now presumed that they have been fully rendered for said quarter."

By Mr. CANNON :

Q. Is it not the practice of the Department, where the registers from postmasters show service performed, to file them away and not keep them in the jacket containing the papers of the case?—A. They are not put into the jacket at all.

Q. It is only where there are failures that the registers would appear in the jacket?—A. That is all.

Q. You spoke in your evidence the other day, of Mr. Rothrock as having some knowledge of, or being connected in some way with, a fraudulent seal for the stamping of contracts last winter, and also you said that he is still a messenger in the Post-Office Department. State his condition as to ability—whether he is a half-witted man, or a whole-witted man?—A. He is a dyspeptic, and I don't think he knows more than—well, I would regard him as a man below the average in intelligence.

By Mr. AINSWORTH :

Q. Do you think he has sense enough to be a messenger?—A. Not a good one. I don't think he is employed now as messenger. I think he is a laborer now.

By Mr. CANNON :

Q. I understood you also to say that you thought if the committee knew him there would be no complaints about his being retained; what did you mean by that?—A. Well, his pitiable case. It is said that he lost his health in the Army, (he lived in Virginia,) that he had been a man of some ability, and had been in the activities of life, and had worked his way well until the war; that he was broken down in health, and perhaps mentally somewhat; that it was rather an act of charity to give him a situation.

Q. You understand that his situation in the Department now is such that he could not be used by any designing person for the purpose of perpetrating fraud?—A. I think not. I perhaps do not see him once a month. He is on the lower floor and I see him sweeping and wearing an apron, as if he were a laborer, and I suppose he is.

Q. In connection with the Department, is there a filing-room to file papers away after you are done with them, or are they thrown pell-mell and apt to be lost?—A. I don't understand that we have a file-clerk in the Department. The files of the inspection-clerk are bulky, and I know after a few years they are carried down into the basement and piled up there, and I understood that they were considerably knocked around while they were remodeling the work in the basement this summer. I did not see them myself, but I heard reports that those old files were in a very disordered condition.

Q. Is it untrue that when they are thrown down there in bulk it seems impossible to go through the vast pile of them to find anything in any particular case?—A. I should want unlimited time to find any particular paper there. They are not placed in any order.

Q. Is it not further true that after a few years they become so bulky and in the way that, in the absence of a file-clerk and the want of room, they are probably sold for old paper?—A. I do not know that such a thing is done, but they well might be, for any good they are there.

Q. Referring to his route from Clarksville to Jefferson, Texas, have you drawn a diagram showing the location of Clarksville, Jefferson, Moore's Landing, Texicana, and the routes leading from Clarksville to Jefferson?—A. I drew one after I came here this morning. This is it, [producing a paper.]

Q. State whether Boston, on one of the routes from Jefferson to Clarksville, is a county-town.—A. It is the county-seat of Bowie County.

Q. Mount Pleasant, on the other route, is that a county-town?—A. That is the county-seat of Titus County.

Q. I understand from your evidence that the route from Jefferson to Clarksville, by way of Mount Pleasant, is the route upon which Mr. Sawyer had a contract.—A. Yes, sir.

Q. That route, I believe, extended originally from Marshall, below Jefferson, to Clarksville?—A. Yes, sir.

Q. And the service was let upon that route?—A. Yes, sir.

Q. It was curtailed, however, after the Little Rock Transcontinental Railway was completed from Marshall north to Jefferson?—A. Yes, sir.

Q. So that it extended from Jefferson to Clarksville?—A. Yes, sir.

Q. What was the original contract-price upon that route from Clarksville to Marshall?—A. [Referring to the record.] The contract-price, before any increase was made, was \$6,470 from Marshall, by Jefferson, to Clarksville three times a week.

Q. When the service was increased from three times a week to six times a week on that route, I think it was from Jefferson to Clarksville only, the railroad being completed from Marshall to Jefferson?—A. I see now that I made a mistake. Originally the contract was six times a week to Jefferson, three times a week to Clarksville. From Marshall to Jefferson six times a week, and Clarksville to Jefferson three times a week. When the railroad was built from Marshall to Jefferson, this part between Marshall and Jefferson was discontinued. At the time this increase of service was made, it was increased between Jefferson and Clarksville, making it six times a week over the whole route. It was a subsequent order that curtailed the service, to begin at Jefferson.

Q. Is that the original jacket, [indicating a paper,] and are those the original papers showing the recommendations upon which that service was increased, and the order increasing the same?—A. Yes, sir.

Q. Who made up that case?—A. That is in the handwriting of Mr. Floyd, the contract-clerk for Texas at that time.

Q. Where is Mr. Floyd now; in the Department or out of it?—A. He is out of the Department.

Q. Is that the same Mr. Floyd whom you referred to in your evidence heretofore, as having said to you that you ought to be careful in assessing fines against Mr. Sawyer and others; otherwise you might lose your place?—A. I do not know as I have given such testimony.

Q. Substantially that.—A. He has cautioned me sometimes. He is the same one.

Q. I understand that the Second Assistant Postmaster-General is the chief officer at the head of the contract-bureau of the Post-Office Department?—A. Yes, sir.

Q. And his duties as executive officer of that division are to make the contracts for carrying the mails, and also to superintend the inspection of mail-service, and certify when the service has been ordered to the Sixth Auditor, so that the contractors can get their pay for the performance of the service?—A. Yes, sir.

Q. How many clerks are there in the Second Assistant Postmaster-General's division?—A. I cannot tell. Some twelve or thirteen contract-clerks, and about the same number of inspection-clerks. Then there are other clerks besides, but these are the ones who have the oversight of the letting, and of the inspection-service after it is let.

Q. About how many clerks has he in his division?—A. I have no idea; I think there were over fifty, but that is guess-work.

Q. This man Floyd, was he discharged?—A. Yes, sir.

Q. Upon what ground?—A. I understood on account of being connected with illegal proceedings in the contract-bureau.

By the CHAIRMAN:

Q. He was one of the parties that confessed?—A. I understood he did, to the Postmaster-General.

By Mr. CANNON:

Q. In other words, for being guilty of bribery and all manner of frauds that he could be guilty of, as clerk at the contract-desk?—A. I suppose so.

Q. In the performance of the duties of Second Assistant Postmaster-General, is it or is it not possible for him to personally supervise all the business in detail that passes through his division, and pass upon its merits, or, from necessity, in the main has he to trust to the honor and good faith of the subordinates under him?—A. He could not look into every detail of the work in the office. It would be impossible. He must rely more or less upon the integrity and judgment of the clerks and subordinates.

Q. Is it not true that he must rely almost entirely upon their integrity?—A. Very largely.

Q. These are the files in connection with the increase on the Clarksville and Jefferson route?—A. Yes, sir.

(Mr. CANNON offers in evidence petitions asking for the increase of service upon route 8619, from Jefferson to Clarksville, by way of Mount Pleasant—the Sawyer route spoken of—and states that one of them bears the indorsement of W. S. Herndon and D. C. Giddings.)

Q. Who was W. S. Herndon at that time?—A. A member of Congress from Texas.

Q. Who was D. C. Giddings?—A. A member of Congress from the same State.
The petitions are as follows:

Hon. JOHN L. ROUTT,

Second Assistant Postmaster-General, Washington City, D. C. :

We, the undersigned, citizens of the State of Texas, on route No. 8619, from Marshall to Clarksville, most respectfully represent that the mail-service three times a week from Jefferson to Clarksville is inadequate to answer the necessities of our rapidly-increasing population in this section of the State, and as the city of Jefferson is our shipping-point, we earnestly petition that your honor increase said mail-service on said route No. 8619, between Jefferson and Clarksville, to six (6) times a week.

The Transcontinental Railroad having commenced active operations, renders the increase of service more necessary than heretofore.

(Signed as follows, to wit:)

Russell, Rainey, & Co.,	Collins, Epperson & Ezell.	A. C. Allen.
wholesale grocers and	Jno. J. Outley & Co.	Mooring & Lyon.
commission merchants.	Goyne, Harper & Murphy.	E. Marx.
W. M. Harrison, banker.	J. T. Rogers.	Wayland & Wheatley.
John Paulk.	R. Dollorf & Co.	Ellis Bagby & Co.
W. J. Sedlery.	Barnes & Ellington.	Hey, Martin, & Co.
J. P. Hervey.	J. C. Alford & Co.	G. B. McDonald.
Stephen H. Stone.	I. Bruehim, M. D.	J. P. Buhler.
Bateman & Bro.	Graham & Taylor.	J. M. Raysdale.
C. E. Philips.	J. Sterus, P. M.	J. A. H. Hosack.
Sims & Norris.	Rufus Muse & Co.	Culberson & Mobry.
H. Levy & Co.	Birge, Nichols, & Co.	T. J. Campbell.
E. W. Taylor.	I. H. Rowell.	W. H. Mason.
M. Levy.	Jas. Arbuckle & Co.	J. M. Cotton.
K. Meyer.	Benj. Dreyfus.	S. O. Cotton.
T. B. Goyne & Co.	Jas. M. Murphy, merchant.	J. W. Adams.
Terry & Hodge.	Biney & Brooks.	R. R. Haynes.
Moses Stainlein.	Crawford & Crawford.	F. W. Penman.
Bogel & Riddle.	Thos. Nichols, merchant.	J. A. Namworthy & Co.
H. W. Wyman.	W. F. Faulkner.	T. Souter.
I. G. Telluer.	Louis Goldberg.	Penn & Todd, atty's.
Ligon & Smith.	Norwood & Scott.	J. D. McAdo, judge 7th dist.

Official copy.

J. L. FRENCH,

Acting Second Assistant Postmaster-General.

CONTRACT OFFICE, POST-OFFICE DEPARTMENT, June 16, 1876.

I know the facts set forth in within petition to be correct, and I believe it would be of great benefit to the people along the line. This line will be superseded in a few months by railroad being completed.

I therefore recommend the increase of service.

W. S. HERNDON.

I concur with Mr. Herndon in the above statement.

D. C. GIDDINGS.

Official copy.

J. L. FRENCH,

Acting Second Assistant Postmaster-General.

CONTRACT OFFICE, POST-OFFICE DEPARTMENT, June 16, 1876.

Hon. JOHN L. ROUTT,

Second Assistant Postmaster-General, Washington, City, D. C. :

We, the undersigned, citizens of the State of Texas, on route No. 8619, from Marshall to Clarksville, most respectfully represent that the mail-service three (3) times a week from Jefferson to Clarksville is inadequate to answer the necessities of our rapidly-increasing population in this section of the State, and as the city of Jefferson is our shipping-point, we earnestly petition that your honor increase said mail-service on said route No. 8619, between Jefferson and Clarksville, to six (6) times a week.

The Transcontinental Railroad having commenced active operations, renders the increase more necessary than heretofore.

(Signed as follows, to wit:)

Andrew Thompson, P. M.	N. C. Murrie.	Thos. Marney.
Jas. C. Brown.	W. P. Cornbus.	W. F. Daniel.
E. S. Chambers.	E. M. Bowers.	W. S. Thompson.
James Murphy.	W. P. Garrison.	John B. Lyons.
C. H. Fassett.	F. M. Patterson.	W. M. Gardiner.

J. W. Steinlein & Co.
 J. J. Sivley.
 John Allison.
 B. H. Epperson.
 M. L. Ritter.
 S. A. Sims.
 E. Garrison.
 R. B. Epperson.
 G. K. Cheatham.
 R. Orrell.
 V. L. Vesey.
 J. B. Shannohan.
 Robt. Rose.
 H. G. Gough.
 W. S. Campbell.
 J. B. Donoho.
 J. L. Lane.
 L. H. Goldberg.
 A. P. Dick.
 J. H. Bang.
 R. H. Turner.
 L. R. Latimer.
 C. L. Moorman.
 J. K. Stanley.
 W. M. Gordon.
 D. H. Kirk.
 Michael Lubey.
 W. E. Moore.
 W. W. Bailey.

Chas. Rainey.
 J. M. Matkin.
 Leopold Lilterberg.
 F. Nagle.
 D. McF. Benham.
 R. L. Van Wey.
 Geo. Lilterberg.
 Jasper Longe.
 A. B. Baker.
 G. C. Baker.
 Tom. A. Carter.
 F. W. Gaines.
 J. W. Gaines.
 S. J. Stuart.
 N. B. Patton.
 Henry Little.
 W. H. Turner.
 W. P. Darnall.
 Chas. Morse.
 W. B. Migler.
 James F. Fleming.
 Oscar Harvey.
 John Anderson.
 Douglass Reeves.
 John A. Bagler.
 W. R. Harris.
 John L. Jamison.
 R. S. Van Wey.

R. H. Harris.
 John Brown.
 T. B. Wilkins.
 L. N. Abbott.
 R. G. Lane.
 C. W. Wilson.
 C. T. Kingard.
 J. E. Wallis.
 J. H. Vesey.
 T. H. Young.
 W. A. Ellett.
 R. R. Gaines.
 F. R. Starr.
 B. A. Beadle.
 Gilbert Ragin.
 W. B. Stone.
 S. B. Donoho.
 J. S. Carroll.
 E. M. Alexander.
 James Ellett.
 David Rainey.
 E. F. Foster.
 W. L. Nunwoody.
 J. G. Harris.
 D. C. Van Wey.
 M. L. Sims.
 A. N. Callaway.
 J. Dysart.

Official copy.

J. L. FRENCH,
Acting Second Assistant Postmaster-General.

POST-OFFICE DEPARTMENT,
 CONTRACT OFFICE, June 16, 1876.

The indorsement on the jacket is as follows :

[Indorsement on jacket.]

(Copy.) Date : March 13, 1873 ; State : Tex. ; No. of route : 8619 ; termini of route : Marshall-Clarksville ; length of route : 102½ miles ; No. of trips per week : 6 to Jefferson, 3 residue ; contractor : F. P. Sawyer ; pay : \$6,470.00. Inclosed are petitions for increase of service to 6 t. a w. on the whole route from citizens of Clarksville, and others, representing the present service is inadequate on the account of increase of population and beginning of active operations on the Transcontinental R. R. The increase is recommended by Hons. W. S. Herndon and D. C. Giddings, and will cost \$4,675 per annum additional. Post-offices on route : Marshall, \$1,600 ; Jefferson, \$2,600 ; Hickory Hill, \$39 ; White Hill, (n. o.,) — ; Daingerfield, \$260 ; Snow Hill, \$24 ; Mt. Pleasant, \$200 ; Green Hill, \$12 ; Cuthand, \$34 ; Clarksville, \$750 — \$5,519. Day-book, page 43. Wrote p. m. and contractor Mch. 13, 1873.

Official copy.

J. L. FRENCH,
Act'g 2d Asst. P. M. G.

P. O. DEP'T, CONTRACT OFFICE, June 16, 1876.

Increase service between Jefferson and Clarksville, on route, 86 miles, to six trips a week, and allow contractor \$4,675 per annum additional, being pro rata.

(Signed)

J. L. R.

MARCH 13, 1873.

R.

Q. Look upon the back of that jacket and state in whose handwriting it is ?—A. Mr. Floyd's.

Q. Is that fairly made up, considering that the increase of this service was to be, if at all, from Jefferson to Clarksville, and the fact that the revenues of the offices include those at Marshall and Jefferson ?—A. I see those two offices aggregate \$4,200. All the offices on the route make \$5,519. When the clerk makes a statement to the head of the bureau, it is not common to embrace any offices which do not depend upon the route for their supply of mail. The offices of Marshall and Jefferson do not depend upon this portion which was increased, for their supply.

Q. Jefferson would depend upon it for its supply from Clarksville and Mount Pleasant?—A. That is not the way that we look at those matters; we look at the matter with relation to its supply from the trunk route.

Q. What does the line on this plan running from north to south represent?—A. That is simply to represent a meridian-line.

Q. What does the line marked C. & F. R. R. represent?—A. The Cairo and Fulton Railroad.

Q. And also the line running from Jefferson to Marshall; an extension of that railroad?—A. Yes, sir.

Q. The line drawn from Jefferson by way of Douglassville and Boston to Clarksville; what does that represent?—A. It represents route 8613.

Q. And the line drawn from Jefferson to Clarksville by way of Mount Pleasant represents what?—A. 8619, the route that Mr. Sawyer had.

Q. At the time of the increase of this service, is it not true that the railroad was completed from the south to Marshall, and from Marshall to Jefferson?—A. Yes, sir.

Q. And it was then in process of construction in a slightly northeasterly direction, from Jefferson toward Little Rock?—A. Yes, sir.

Q. Under the practice of the Department, the road having been completed to Jefferson, or about so, and being in process of construction, or about to be constructed, from Jefferson in a northeasterly direction for the supply of mails to Clarksville, upon which route should this increase of service have been made?—A. It should have been made on 8613, the route by way of Douglassville and Boston.

Q. And not upon the route for which Mr. Sawyer had a contract, by way of Mount Pleasant?—A. I think not.

(Mr. CANNON offers in evidence inspection case for deduction on route 8619, and all the papers pertaining thereto, with the indorsements, as follows:)

I, Thomas Clegg, was stage-driver from Boston, Texas, on Jefferson and Clarksville road, from July 1, 1873, to February 1, 1874, and did carry Jefferson and Clarksville mail regularly both ways during that time.

THOMAS CLEGG.

Sworn and subscribed to on this 2d day of November, 1874.

JOHN BRICE, J. P.

I hereby certify that I was stage-agent at Jefferson, Texas, from the 22d of March, 1873, till the 1st of October, 1873, and I received the mail from Clarksville six times a week by stage, and sent mail out to Clarksville six times a week by stage. After October 1, 1873, I sent mail by J. K. Whitney, messenger on the railroad, to Moore's Landing, "the end of the railroad-track," and from here by stage to Clarksville. There being no post-office at the end of the track the mail was turned over to driver. December 28, 1873, the railroad was finished to Texarkana, and mail was delivered from there to stage for Clarksville, until February 15, 1874, the mail was given to the railroad company; then I had nothing more to do with mail from Jefferson to Texarkana, but received Clarksville mail from post-office and delivered mail there until February 15, 1874.

A. C. HILL,
Agent El Paso Stage Company.

STATE OF LOUISIANA,
* *Parish of Caddo:*

Personally appeared before me, Lucien E. Doeletz, justice of the peace and notary public in and for the city of Shreveport, Caddo Parish, La., duly commissioned and sworn, A. C. Hill, to me well known, who says, under oath, that the above and foregoing statement by him made is true and correct.

A. C. HILL.

Sworn to and subscribed before me this 31st day of October, A. D. 1874.

[SEAL.]

LUCIEN E. DOELEZ,
Justice of the Peace and Notary Public.

I hereby certify that I was messenger on the train from Jefferson to Moore's Landing, and did carry the Clarksville mail from Jefferson and delivered it to the stage-driver at Moore's Landing, from October 1, 1873, till December 28, 1873. Then the railroad was finished to Texarkana, and I carried the mail from Jefferson and delivered it to stage-driver at Texarkana from the 28th of December till the 15th of February, 1874, when the mail was given to the railroad company.

J. K. WHITNEY.

STATE OF LOUISIANA,
Parish of Caddo:

Personally appeared before me, Lucien E. Doeletz, justice of the peace and notary public in and for the city of Shreveport, Caddo Parish, J. K. Whitney, who, being by me duly

sworn, says that the above and foregoing statement by him made and signed is true and correct.

J. K. WHITNEY.

Sworn to and subscribed before me this 31st day of October, A. D. 1874.

[SEAL.]

LUCIEN E. DOELEZ,
Justice of the Peace and Notary Public.

I, Dave Kenny, was stage-driver from Jefferson, Texas, on Clarksville Road, from July 1, 1873, to October 1, 1873, and did carry Jefferson and Clarksville mail regularly both ways during that time; and from October 1, 1873, did receive mail from J. K. Whitney, messenger for stage company at Moore's Landing, then the end of the railroad-track, and carried it from there to Boston, Texas, on Jefferson and Clarksville road, until January 1, 1874. I then turned mail over to Thomas Scott, driver. He carried it from then until September 26, 1874.

his
DAVE + KENNY.
mark.

Witness, J. WOOD, *Agent.*

Sworn to and subscribed before me November 10, 1874, at Jefferson, Marion County, Tex.

[SEAL.]

W. H. COOK,
Notary Public, Marion County, Texas.

Route 8613, Jefferson to Clarksville, twice-a-week service.

Route 8619, Jefferson to Clarksville, three-times-a-week service.

Proofs on file show that after March 22, 1873, when service was increased on route 8619 to six trips a week, that there was no increase of service on said route, but that an additional trip was put on route 8613, making on the *two* routes the number of trips due upon route 8619, and that the additional trip on 8613 was run by contractor of route 8619; that from the 22d March to 30th September there were three trips a week from Jefferson to Clarksville via Mount Pleasant, and three trips via Boston, six trips in all, while eight trips were due from the two routes; that from the 1st October to 28th December the trips were the same—three trips upon route 8619 via Mount Pleasant, and three trips a week on route 8613 via Boston, save that the stages on route 8613 run to Morris Landing, and mails were thence transported at expense of contractor to Jefferson; that from 28th December, 1873, to February 15, 1874, the mails were carried on route 8619 via Mount Pleasant three times a week, and were carried three times a week on route 8613 via Boston to Texarkana by stage, and from thence to Jefferson by railroad at contractor's expense; that from February 16 to September 26, 1874, the mails were carried three times a week on route 8619 and three times a week on 8613 from Clarksville to Texarkana, no service being performed on route 8613 between Douglassville and Jefferson; that after the 22d March, 1873, to September 26, 1874, the two routes appear to have furnished the number of trips due upon route 8619, and no more; that the distance from Clarksville, via Boston, to Texarkana appears to be $42 + 22 = 64$ miles.

Pro-rata pay on route 8619 for the extra trip run via Boston, from March 23, 1873, to September 4, 1874, would amount to \$2,266.44.

THE STATE OF TEXAS,
County of Harrison:

Before me, J. M. Curtis, a notary public in and for said county, personally appeared F. W. Wright, to me well known, who, after being duly sworn, says upon his oath that he, the said Wright, as agent for F. B. Sawyer, mail-contractor on route from Jefferson in Marion County, Texas, to Clarksville, Red River County, Texas, transported the United States mail six times a week from the 22d day of March, 1873, to October the 1st, 1873, and three times a week from Jefferson aforesaid to Mount Pleasant, thence to Clarksville aforesaid; also three times a week by railroad-route from said Jefferson to said Clarksville from the 22d of March, 1873, to the 1st of October, 1873; also that he transported the said mail from Jefferson aforesaid to Moore's Landing by railroad from the 1st of October, 1873, to the 1st of January, 1874, under care of a special messenger, (James K. Whitney;) distance from Moore's Landing to Clarksville he carried said mail by four-horse coaches, 75 miles. That on the 1st of January, 1874, the railroad was completed from Moore's Landing to Texarkana, and that the said mail was then carried under care of said messenger the whole route from Jefferson to Texarkana until February 10, 1874; also that from the 1st of January, 1874, to the 26th day of September,

1874, said mail was carried by him in four-horse coaches from Texarkana to Clarksville, and that he, the said Wright, never received any order from Van Way to receive his mail from Jefferson.

F. W. WRIGHT,
Agent for Contractor.

Sworn to and subscribed before me at Marshall November the 11th, 1874. Witness my hand and seal of office.

[SEAL.]

JAS. M. CURTIS.

GEORGETOWN, D. C., October 21, 1874.

SIR: In relation to the heavy and unjust deductions lately made on one of my mail-routes in Texas, (No. 8619,) from Jefferson to Clarksville, I most respectfully demand a modification of said order, to conform to the facts in the case, or a special agent (an honest one, if possible) to investigate and report to the Department how said mail has been carried, both from Jefferson and Clarksville. The mail never was carried over the old route, nor was it so intended by Colonel Routt, and so understood by Mr. Floyd, but the opposite day to be carried, as Tom Scott's Railroad Company wanted it carried over the line of their railroad, which was done until the railroad company took the contract from Jefferson, after which time the mail has been carried between Texicana and Clarksville regularly three times a week, and three times a week over the old Mount Pleasant Road, and if your inspection division did not make proper reports for that portion between Jefferson and Texicanna, I am not at fault. Certainly it was not necessary for me to carry the mail over the same ground the railroad company did, and the postmaster only reported three trips a week from Jefferson after the railroad company took charge of the mail, but Clarkesville reports six trips a week, three by the old road and three by the way of Boston and Texicanna. Those are the facts. A deduction should be made since the railroad company have had the contract between Jefferson and Texicanna, but nothing more.

I have no paper service, and this mail has been carried as agreed. The small offices between Jefferson and Clarksville are small and unimportant, but there being a six-times-a-week mail, both to Jefferson from the east and also to Clarksville from the north, and the railroad company at work surveying, grading, &c., they ask for a daily mail over the line of their road; hence the order for daily on this route, 8619, with a distinct understanding and request of Colonel Routt that I should run the three trips last ordered over the line of said railroad, but making six times a week between Jefferson and Clarksville, connecting at both places with a six-times-a-week mail.

Very respectfully, your most obedient,

F. P. SAWYER.

Hon. J. L. FRENCH,
Acting Second Assistant Postmaster-General.

THE STATE OF LOUISIANA,
Parish of Ouachita:

Magistrate's court for ward No. 3.

Be it known that on this the 2d day of October, A. D. 1874, before me, a duly commissioned and qualified justice of the peace in and for said parish and State, personally came and appeared John Warner, who, after being duly sworn by me, deposed that he was stage-driver from Jefferson, Texas, on Clarksville Road, from March 22, 1873, to July 1, 1873, and did carry the Jefferson and Clarksville mails regularly both ways during that time.

JOHN WARNER.

Sworn to and subscribed before me, J. T. Strother, on this 2d day October, A. D. 1874.

J. T. STROTHER,
Justice of the Peace.

TEXARKANA P. O., LAFAYETTE CO., ARK., Nov. 15, 1874.

I hereby certify that the El Paso Stage Company carried the U. S. mail from Texarkana, Ark., to Clarksville, Texas, three times a week, from the 16th day of February to the 26th day of September, 1874.

EDWIN BANCROFT,
Postmaster.

POST-OFFICE DEPARTMENT,
OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL,
INSPECTION DIVISION,
Washington, D. C., June 16, 1876.

CLARKSVILLE, TEXAS, October 28, 1874.

DEAR SIR: In reply to yours of October 7, I have to say that on the 1st day of April, 1873, I made an exchange of service with the El Paso Stage Company; they run

their stages on my route from here to Jefferson three times a week, and I carried their mail on the route from here to Mount Pleasant. About the 1st day of January they took their stages off that route and run them from Boston to Texarkana, and still run the mail as far as Douglassville three times a week. As that was satisfactory with the patrons of the offices, they carried the Bowie County mail by way of Texarkana. All of the offices on said route have been regularly supplied with mail three times a week until recently. I am now running the mail through from here to Jefferson. The mail that had accumulated at Jefferson was mail for this place principally, that should have been sent by way of Mount Pleasant. In regard to the complaint of the postmaster at Boston, I have to say that, although Texarkana was not on my route, I have, since the post-office was first established there, regularly visited that office three times per week. When the stage company took off their stages, they done so without giving me any notice, and there was one or two mails missed; with the exception of this, there has been no failure on that route. Since the completion of the C. & F. R. R., and the Texas Pacific to Texarkana, my mail has been greatly increased, by throwing mail on my route that formerly went on others. The distance is also increased by visiting Texarkana, and I think that justice to me demands that the pay should be increased in proportion, as the distance and weight of mail has been increased by visiting Texarkana. I took the route at a low rate when there was very little mail to carry. Since the completion of the railroads to Texarkana, the mails over this route are very heavy.

Respectfully, yours,

R. S. VANWEY, JR.

SECOND ASSISTANT POSTMASTER-GENERAL,
Washington, D. C.

[Indorsement on jacket.]

(Copy.) Post-Office Department, Contract Office, Inspection Division. State, Texas route No. 8619; year 1874; quarter ending September 30. Termini of route, Jefferson to Clarksville. Contractor, F. P. Sawyer; residence, Georgetown, D. C. Miles, 82½; trips per week, six; pay, \$9,351.

March 13, 1873. Order was made to increase service on route from three to six trips a week and allow \$4,675 per annum for said increase of service, to take effect March 22, 1873. Jefferson reports that said increase of service did not commence till September 4, 1874.

For failures in 1st	qr., 1873.....	\$129 86
" " 2d, 3d, & 4th	" "	3, 506 25
" " 1st and 2d	" 1874.....	2, 337 50
" " 3d	" "	825 70

6, 799 31

Less amount deducted, 4th qr., '73..... 104 86

Deduct \$6, 694 45

(Signed)

FRENCH.

Date of case, Oct. 15, 1874; rep'd to Auditor, Oct. 17, 1874; notice to cont'r, Oct. 20, 1874; remitted, —; entry in fine-book, —; file case, —.

It appearing from proofs on file in this case that contractor made six trips a week from Clarksville either to Jefferson or some point on railroad where mails connected regularly with Jefferson and the intersecting mail-routes at that point, therefore remit \$4,532.87 of the deduction reported October 17, 1874.

December 11, 1874.

(Signed)

J. L. R.

Special. Reported to Aud'r Dec'r 12, 1874.

(Signed)

J. L. R.

A true copy.

J. L. FRENCH.

Act'g 2d Asst. P. M. Genl.

Q. Are these all the papers pertaining to the case?—A. Yes, sir.

Q. You were inspection-clerk at the time you made up this case?—A. I made this case.

Q. Were those papers on file at the time the deduction was made?—A. At the time the deductions were made they were all on file, I think, except some subsequent papers which the contractor had put into the case, upon which he based his claim for

remission. There are several papers here that were put in with reference to remission they belong to the case, but they were not in the case at the time the deductions were made, but were in the case at the time the remission was made.

Q. Are these the same papers that you took to the Postmaster-General in reference to this case?—A. Yes, sir.

Q. What do these little dotted lines on this plan represent, from Douglassville to Moore's Landing, and Boston to Texarcana?—A. They simply show where the service left the route to connect with the railroad, as the railroad was completed from Jefferson northeasterly.

Q. Up to the time that the railroad was completed to Texarcana, and some time thereafter, is it not true that the contractor, without expense to the Government, got the mail transported on the railroad, first to Moore's Landing, second to Texarcana, and then took it from there to Clarksville?—A. Yes, sir.

Q. Did you hear Colonel Routt make any statement or have any conversation as to the increase of service on the route, from Jefferson to Clarksville, by way of Mount Pleasant, as to what he understood was the route that the service was being increased upon?—A. He told me that the application was made to increase the service with the view of making connection with the railroad, first at Marshall, and subsequently, as it should be completed along, to diverge from the line and connect with the railroad; and I remarked that this was not the proper route. He said that he understood it to be the proper route; that it was the one which was the eligible route for accomplishing this purpose.

Q. He supposed that it was the proper route at the time the increase was ordered?—A. Yes, sir.

Q. Did he say anything about having depended upon the contract-clerk who made out the papers, and upon the certificate of Mr. Giddings, a member of Congress from Texas, and Mr. Herndon, another?—A. I don't know as he did. He said that he understood that this was the route upon which the increase should be made in order to accomplish the desired object.

Q. Did he mention any person as having consulted with him in reference to it?—A. I don't recollect that he mentioned any names, but he said that he understood that this was the route on which the service should be increased in order to accomplish the desired object.

Q. If, in fact, the additional service had been placed upon the route from Jefferson to Clarksville by way of Boston, under the practice of the Post-Office Department, would it have been proper for the Second Assistant Postmaster-General to have said to the contractor that he might perform three of those trips from Clarksville, and three of them from Clarksville to different points on the railroad, as the railroad was built?—A. He might have authorized it. It was entirely proper, under the practice of the Department, to have ordered it. It should not have been a matter of verbal understanding, but it would have been a legitimate subject of order under the practice of the Department.

Q. Of course it had better have been of record than otherwise?—A. Yes, sir.

Q. The whole matter of increase of service is subject to the regulations of the Department?—A. Yes, sir.

Q. Is it not true that the Postmaster-General makes the regulations for the Department?—A. I suppose so.

Q. Is it not true that, while the regulations under the law are necessarily made, yet that the equities of particular circumstances frequently attending cases require that those regulations should be set aside, and sometimes formalities that the regulations required dispensed with by the same power that made the regulations?—A. My mind does not go to any practice of that kind of any standing, except it becomes a subject of order so that the duties are clearly defined.

Q. The regulations provide that in proofs as to the performance of service you shall have registers or certificates from the postmasters at the termini of the route?—A. Yes, sir.

Q. The regulations do not say anything about your calling for proof from intermediate postmasters, do they?—A. Only in case of failures. Then it is the duty of the intermediate postmasters to report specially; if there is anything wrong in the service, they should make special report.

Q. Are there not cases where the intermediate postmasters have reported the performance of service, and there is only a report from the postmaster at one of the termini, and no report from the postmaster at the other terminus where the regulations have been disregarded and service certified; has not that frequently been the practice of the Department in special cases?—A. I would not say frequently. It is not uncommon; it is not the practice, but it sometimes happens so.

Q. Yet necessarily in the conducting of the affairs of the Department this discretion being given to the Postmaster-General to make regulations, does not the Postmaster-General have to vary his regulations in special cases?—A. We have to obey the law, and special cases require special orders in regard to them.

Q. And the special order must come from the Postmaster-General, or some one else who has the authority to make it in a given case?—A. Yes, sir; anything with regard to correction of the service emanates from the Second Assistant.

Q. Is it not true that Colonel Routt stated that, having the understanding that he had about the increase of service upon the route from Jefferson to Clarksville by way of Mount Pleasant, he had said to Mr. Sawyer that he might make three of his trips upon the railroad when it was completed, and therefore he felt bound to see that he got his compensation for the same, or words in substance to that effect?—A. Yes, sir; he did.

Q. You speak of frequently writing letters to intermediate postmasters and others, inquiring about the service upon different routes; is it not true that while those letters were written by you, they were referred to the Postmaster-General for his signature, and signed by him?—A. They were signed by the Second Assistant Postmaster-General.

Q. Did he ever refuse to sign such letters?—A. Yes, sir; not the particular letters which you are describing.

Q. I am speaking of the letters that I am describing.—A. No, sir; not that I know of. There are several of those letters in this case, where I made inquiry of intermediate offices.

Q. Do you know a man named Ford in that Department?—A. Yes, sir. He was what we call the bond-clerk for some time. He was subsequently a route-book clerk. He was route-book clerk when he was discharged. I don't know his full name. He is an assistant sergeant-at-arms of the House, I suppose. He subpoenaed me here.

Q. Do you know whether he resigned of his own free will, or was his resignation asked for?—A. I don't know that he resigned at all. He was my route-book clerk, and he told me when he went. I know he left the Department, and I supposed he was discharged.

Q. Do you know whether he was guilty of any irregularities or any frauds or not?—A. I do not.

Q. What was the understanding among you inspection-clerks and in the Department as to the reason of his discharge or resignation?—A. We understood that he was some way connected with those contract-frauds.

Q. Connected with them wrongfully?—A. That was our idea; that is, that he was supposed to be, at least.

Mr. CANNON asks leave to have the two last questions and answers struck out, for the reason that he does not believe them to be proper, the understanding of the witness shedding no light upon this investigation; and for the further reason that it is following, in the opinion of Mr. Cannon, a very pernicious example set by other gentlemen of the committee.

Mr. AINSWORTH objects to its being struck out, for the reason that no member of the committee in examining the witness has the right to elicit matter reflecting upon any person, and then, after having elicited it, to have it struck from the record in order that other members of the committee may not obtain an explanation of the words or of the charge.

The CHAIRMAN decides that the questions shall not be struck out.

Q. You speak in your evidence heretofore of some papers that disappeared from the files by some means unknown to yourself in relation to route 7615, one of Chidester's routes, papers which would justify you in recognizing the service; do I understand that in that case the service was wrongfully recognized?—A. I think it was.

Q. Was it wrongfully recognized on the papers that you acted upon at the time?—A. No, sir.

Q. Then it appeared from evidence that afterward came in that it was wrongfully recognized?—A. Yes, sir.

Q. Who was that evidence from?—A. It was from the postmaster at Rockport, Arkansas, the head of the route.

Q. Then, if it was fraud at all, it was a fraud made possible by the wrongful action of that postmaster?—A. Yes, sir; made possible by his action. I do not charge him with fraud, but the result was a fraud upon the contractor of the route. The postmaster may not have understood his duty in the matter.

Q. Who was the contractor at that time?—A. R. S. Van Wey.

Q. How was that fraud perpetrated upon the contractor?—A. Mr. Van Wey lived at Clarksville, Tex., two or three hundred miles from this route. He sent a young man up with a horse to carry the mail, and the horse died—he was worn out—and the man, not having business experience, or any other means perhaps of reaching the contractor, he leaves the route and goes down to Clarksville, Tex., agreeing with a man to carry it in his absence. When the young man came back with another horse, the postmaster at Rockport had sublet the route to Chidester, in a way that he had no right to do. That is the reason I say I don't know that he acted corruptly. Postmasters do not all know their rights in such matters. He had made a written contract with Chidester to carry the mail. The young man went back to Texas. This took

some weeks. The contractor seemed to know his rights in the matter, and he went up there personally to take possession of the route, because he knew that the postmaster had no right to so contract with Chidester. This young man offered to carry the mail, but the postmaster refused to let him have it; but when Van Wey came he claimed his rights, and the postmaster had to yield. The contractor, Van Wey, then made another contract with a man living at Rockport, agreeing to pay him so much. After he went away, Chidester made a contract with the same man, William Dyer, to carry the mail for him. Mr. Van Wey had other routes, so that, although the Department might recognize this service to Chidester, and charge the amount of it to the contractor, which was \$1,040 in excess of the contract-price, Mr. Van Wey, unless informed from the contract-office, would not know why he did not get his full contract-pay on all his routes. They are all made up in one statement, and he did not seem to understand why he was not getting more money. It ran along so, however, more than a year, until after I went to that desk. The first quarter that came into my hands as contract-clerk, I followed the example of my predecessor, recognizing the service of Chidester on the certificate of the postmaster at Rockport. I wrote to the contractor that the Department would no longer tolerate that kind of business; that it must be terminated; that he would either be declared a failing contractor, or he must take possession of the route and carry the mail. That was what brought him to a knowledge of the situation. That was the first that he knew that he was not carrying the service and getting his pay for it, but he knew that the Department was not paying him, and he was complaining that he was not getting his full pay. It afterward came to the knowledge of the Department that this Mr. Dyer had received his pay from Van Wey, and was receiving his pay also from Chidester, who carried it on a special contract.

Q. Mr. Dyer was the man who acted badly?—A. He carried for both parties.

Q. And got double pay?—A. If they paid him.

Q. I understand you to say that you had an intimation from Mr. O'Brien that he had been improperly and corruptly approached by Peterson?—A. I said I had such an intimation.

Q. Did he state whether Peterson caught him or not, when he approached him?—A. No; I don't think he did say he was caught.

Q. Nor that he was not?—A. I would say that he maintained he was not caught.

Q. Mr. Lake is inspection-clerk, I believe, now, and has been for some years?—A. He is the principal clerk at the head of the division.

Q. Please state, in reference to Mr. Lake, what his action is in the performance of his duties as head of that division, in reference to fines upon contractors.—A. Mr. Lake is a very attentive officer, and is very rigid with reference to fines and deductions.

Q. If he has a fault in the performance of his official duties, upon which side is it; too much rigidity, or too great laxity toward contractors?—A. I would not say that there was much laxity toward contractors; I do not like to pronounce an opinion upon anybody's acts. I regard him as a very exacting clerk, and rigid with contractors.

Q. In the performance of your duties as inspection-clerk, where you are in doubt as to any case, is it not your practice, and the practice of clerks generally, to refer to your superior officer, and take his opinion?—A. Yes, sir.

Q. You have frequently done that, I suppose?—A. Yes, sir.

Q. And sometimes you have acted upon his opinion when, if you had been in his place, you would have acted differently?—A. O, I suppose so.

O. It is very natural that men should disagree upon a matter of evidence, is it not?—A. Yes, sir.

Q. You were asked in reference to favored contractors. I believe you stated in answer to that question that those contractors who closely looked after the fines and deductions that were made against them, and promptly presented their proofs, and through their members of Congress, or in person, urged speedy action, generally secured speedy action in their cases, more so than those contractors who did not pursue that course?—A. I think I did not answer as to favored contractors. I said they possessed advantages in understanding their rights and their business better, and by giving personal attention to it, and securing the aid of Congressmen, and that in that way they would secure remission of fines when other parties did not.

Q. For the reason that they did not attend to it?—A. Yes, sir.

Q. I believe you also stated that there were a great many of the contractors who did not pursue that course; who, in fact, had fines and deductions made against them that were wrongful to the contractors.—A. That must necessarily be so while they neglect to present their claims. A flood sweeps over a country, and in its course it crosses one man's route, and he is here at Washington, and he sends and gets proof as to just how much failure was made, perhaps two-thirds of the trip was performed, whereas a contractor less informed as to his rights in the matter would be deducted from for the whole trip, and it would stand so, simply because he would not know how to get it remitted.

Q. State, in that same connection, if it is not true in the Post-Office Department, a

well as in the other Departments, that where members of Congress request, (and also the fact that they frequently make such requests,) that cases are made special and passed upon at an early day, out of their regular order?—A. I think they do. I understand that it is not done now in our Department, but it has been practiced a good deal.

Q. Do you understand that it is done in all the other Departments, the Treasury, the Pension Bureau, and the others?—A. I have heard so. I do not know.

Q. You speak of at one time intimating to Mr. Watkins, in Mr. Giles A. Smith's time, when he was Second Assistant Postmaster-General, that you didn't know but you might resign sooner than to certify upon a Louisiana route, or something to that effect?—A. If I have testified to that I have not meant to.

Q. What did you mean to say in that connection?—A. I should have said that I did not intend to stay in the Department; I do not think I gave a threat. I gave an intimation that if I was wanted in the Department it would be at some other desk.

Q. Was it in reference to that route that you were speaking, or in reference to the business generally?—A. Well, generally, perhaps, but the instigating cause with me was a route on the Ouachita River.

Q. You afterward did remain in the Department, however, at that desk?—A. Yes, sir.

By Mr. AINSWORTH:

Q. You have stated that it was usual with the Second Assistant to trust to the judgment of the clerks under him, and not himself personally to examine matters submitted to him. State if you know any reason why he did not trust your decisions in the inspection cases where you reported fines to him; those cases to which you refer in your previous testimony?—A. In those cases he did trust my judgment in the fines. When I was called up to make remissions, was when I was not willing that he should order them without hearing from me.

Q. State what was, or what you thought to be, the reason that he did not consult you regarding the remissions.—A. O, he did.

Q. State the reason, if you know, why he did not trust to your judgment in them.—A. I suppose he regarded his own as the best.

Q. What was the matter of difference between you?—A. I thought that it ought not to be remitted; he thought it ought.

Q. Had you examined all the proofs fully?—A. Yes, sir; I don't mean to do a thing carelessly in the Department; I had given it very careful consideration.

Q. Was it a case in which the general rules of the office would warrant a remission?—A. I suppose so.

Q. Then why did you think it ought not to be remitted?—A. That was the *clerk's* opinion.

Q. Why, I ask you?—A. Do you refer to any particular one?

Q. I refer to the cases in which you and he disagreed or differed in judgment, as you have testified.—A. In the two cases that I have testified to, the difference was that I did not believe that the proofs upon which remissions were asked were sufficient. They did not satisfy my mind. They did satisfy his.

Q. Did you express that doubt to him of the sufficiency of the proofs?—A. O, yes; I was not impertinent about it, but I gave him to understand clearly my views.

Q. And he made the remission regardless of your judgment?—A. He directed the order of remission to be made.

Q. Was it the rule for orders from your superiors to be communicated to you verbally or by writing?—A. Always verbally in any matter of direction about the work.

Q. So that the responsibility for all these acts rested with the clerks, and not with a superior, as the records show?—A. The records leave the responsibility upon the superior because he is the only man of record; but the clerk, if he were charged, has not anything to stand upon—no written directions.

Q. They never gave written directions?—A. I don't know that I ever received a written direction.

Q. Are they equally careless with all the files as with those you have spoken of?—A. No, sir; these are files of less consequence.

Q. Have they no file-room in the Department?—A. I don't know where it is if there is one.

Q. Have they no place for the preservation of papers?—A. Every clerk has a place for filing his current papers, and can keep files for several years.

Q. For how many years, in your opinion?—A. Well, my cases are pretty well filled, and the files are not more than three or four years old.

Q. With care in the selection and arrangement of those papers, is there not room in the room to which you said the papers referred to by you were taken, to keep them in order?—A. No, sir.

Q. There is not room in the Post-Office Department to preserve the papers of that Department for over three or four years?—A. Yes, sir; longer than that.

Q. How long, in your opinion, with care?—A. While I have a case of current files, I have still another case of older files that may embrace a period of six or eight years, and beyond that I don't know where you would go.

Q. Isn't there room in the inspection-department to preserve them for an equal length of time?—A. No, not where they could be reached.

Q. No room to file them away where they would be secure for over three or four years?—A. In my room, when I was inspection-clerk, I tied up my registers that did not go into the cases—registers that were all right, and I had no occasion to use them at all—tied them up and put them up on top of the case, and they got a quarter of an inch covered with dust. I put them up once a year.

Q. Is it not frequently the case that there are matters connected with a contract which render it necessary to examine a service for an entire term of four years, after the contract has expired, upon a final settlement, for instance?—A. Those cases would be very seldom, indeed.

Q. Had you any difficulty in finding these papers which you brought here?—A. No, sir.

Q. What did the Second Assistant Postmaster-General say that he had said to Mr. Sawyer about his payment on the route in Texas referred to by you?—A. He said that he had said to Mr. Sawyer that what he undertook to do was to make those connections with the railroad to make a six times a week service from Clarksville to the railroad, and if it was done it was what he wanted done in the matter.

Q. Those are the words he used, as near as you can remember?—A. That is the substance of it.

Q. Who else did you clerks understand to be connected with those frauds other than Mr. Ford?—A. There were Channell, Floyd, and Colt. I don't recollect any others.

Q. Was it understood that anybody else was at all implicated in them?—A. No; I don't know, except this messenger.

Q. What connection, if any, do you know of Ford's having with those frauds?—A. I don't know of any. I have heard him tell his stories, and I heard the remarks about the building.

Q. Go on and tell from whom, and what you heard derogatory to Mr. Ford?—A. I will answer that question if you desire it. My relations with Mr. Ford were friendly, and I would rather not, but I will if you insist.

Q. I think you had better answer it, so that he may know, and defend himself?—A. Well, he told me that he was charged with having received a portion of the money that was paid to Channell; and he told me that it was not true.

Q. Is that all you know or have heard derogatory to him?—A. O, it is rumored about the Department that he did get it, and that he did not—I do not know.

Q. Did he state to you who charged him with it?—A. Yes, sir; I think he said that Channell charged him with having divided the money.

Q. Did any person of standing, to your knowledge, connected with that Department, and having the means of information regarding the fact, ever charge Mr. Ford with any complicity in those frauds?—A. Not in my presence.

Q. To your knowledge?—A. Why, Mr. Ford told me that Mr. Tyner charged him with it. That is the most direct information I have.

Q. And he told you that it was not true; that he had no connection with it?—A. Yes, sir.

Q. Was Mr. Tyner at that time Second Assistant Postmaster-General?—A. Not at the time the frauds were committed.

Q. At the time that Mr. Ford said he had charged him with it?—A. Yes, sir.

Q. What official letters did the Second Assistant refuse to sign for you?—A. I have given no testimony of that kind, have I?

Q. I understood you to say that the Second Assistant Postmaster-General refused to sign certain letters written by you; state what they were.—A. I don't know that I spoke of letters, but of cases. I have written a good many letters that he has refused to sign. I have made up cases that he has refused to sign. His judgment did not approve of them. I have taken letters to him and he has objected to some feature in them, and I have rewritten them and conformed them to his views. I don't think of anything in particular; but that is the experience of all the clerks there, more or less.

Q. Those cases which he refused to sign, were they usually assessing fines or remitting?—A. I don't think he ever refused to sign a paper remitting a fine; and it is a good while since, in my experience, they have refused to sign one assessing a fine.

Q. Who was the postmaster at Rockford at the time the double pay was claimed upon that route?—A. His name was Reed; Dr. Reed.

Q. Is he still postmaster at that point?—A. No, sir; he was removed, I think, since these matters culminated.

Q. You say that Chidester is still in the employ of the Government. His contracts have not been forfeited?—A. No, sir.

Q. Since you have been contract-clerk, has any person holding office, either as Representative or Senator, approached you regarding any contract with a view to influ-

ence your action in any way?—A. They come to me, Congressmen do, presenting their cases; to give me a better understanding, perhaps, as I prepare the cases; I suppose to assist me.

Q. But they have never asked anything more than the proof presented would warrant?—A. O, there you want me to try them?

Question repeated. A. They have in this: A member of Congress, perhaps, does not know; he takes the representation of his correspondent as true, and believes that a great need exists there which should be supplied; and I know better than he does, perhaps, as to what that need is. I may know how much business that office does, and measure the need by it.

Q. You have never known any Congressman during your connection with the Post-Office Department, or at any time, to in anywise attempt to exert any influence in favor of Mr. Sawyer, Chidester, or Peterson, have you?—A. I cannot answer that affirmatively.

Q. Give us exactly what Mr. O'Brien said to you about having been approached by Peterson.—A. He said something like this: that Peterson told him that he wanted he should get his service up as quick as he could, and that it would be for his advantage to do so, or something of that kind.

Q. And what did he say his reply was?—A. I don't think he told me what his reply was.

Q. What did he say about whether he did it any sooner than he otherwise would?—A. I don't think he told me that he did.

Q. Did he say in that conversation whether he had ever received any compensation from Peterson for any action in that office or not?—A. He said he had not.

Q. Did what Mr. O'Brien stated to you at that time bear a construction derogatory to Mr. O'Brien?—A. No, sir.

By Mr. SLEMMONS:

Q. You have stated that you did not receive written orders to make up cases or to do any particular thing, but only a verbal message?—A. Yes, sir.

Q. And that the only party on record was your superior officer?—A. Yes, sir.

Q. Has it at any time occurred in the Department when the records showed a fraud, that they charged the clerks with it, or put the responsibility upon them?—A. It is not common to do so.

Q. Does it occur at all that the superior puts the whole responsibility upon the clerk?—A. I don't think they do.

Q. It has not occurred in your Department at all?—A. I think there are a great many things that clerks are responsible for. I would regard myself, if I did not truly represent a case to my superior officer, responsible for the deception practiced; but I don't know as it is the practice of the heads of the bureau there to charge the clerks with the responsibility.

Q. You state that your orders are always verbal, not written?—A. There is sometimes a pencil-mark, do this or do that, but it is oftener a verbal direction. There have been times when there has been a flood sweeping over the whole country, when there has been a written order to the inspection-office to overlook the failures that occurred within the scope of that flood, for a certain length of time; but even in those cases it is oftener verbal than written. Sometimes written, sometimes not. We have nothing to stand on if we were charged. Our conduct is our defense.

Q. Have you ever known of anybody turned out of office on a charge of that kind in your Department?—A. I think there has been some turned out because of not going right. We do not know. It is not spread through the Office what a man is turned out for. We hear the rumor that it is for such and such action; but we do not know whether it is right or not.

By Mr. CANNON:

Q. Where a subordinate would willfully make up the order in his handwriting on a jacket, that full proofs were in quarter after quarter, contrary to the truth, and his superior officer, the Second Assistant Postmaster-General, was relying upon that, supposing he was honest, the subordinate would be responsible, although the Second Assistant had signed it, would he not?—A. O, yes.

By Mr. SLEMMONS:

Q. Are you not sometimes directed to make those up when the head and tail of the mail-route has not been heard from?—A. That was practiced for awhile.

Q. On a verbal order?—A. Yes, sir.

By Mr. CANNON:

Q. I understand that was the practice in the Department for awhile, in a quarter where two months' proofs was in, to certify without regard to the third month, but only upon contracts that were continuous?—A. That is all. We would not do it on the last quarter.

Q. So that the deductions could be made upon the next quarter, if any?—A. Yes, sir.

Q. I believe you stated also in that connection that you did not know any instance where the Government had lost any money by them?—A. I don't know of any. In the fall of 1873, at the end of September the quarter expired, and I think we generally certified the whole quarter within ten days, and perhaps within five days, to furnish such relief as such action would give.

Q. It was thought to be necessary to do that to keep up the service of carrying the mails?—A. There could no harm come to the Government, because no contract expired at that season of the year, and if there was any deduction to be made it could be made subsequently.

By Mr. AINSWORTH:

Q. Is it not the duty of the Second Assistant Postmaster-General to examine the cases on which he passes, and to examine the findings which are made before approving them?—A. I don't think he could do it.

Q. It is not considered his duty?—A. O, it is considered his duty, but he certainly cannot do it.

Q. Does he ever do it?—A. He does it where his attention is particularly called to it.

Q. Where you are in doubt?—A. The work is carried to the chief clerk and he puts a check mark on it, and unless the chief clerk says to the Second Assistant, here is a matter that I want you to look at, I don't know that he regards himself as under obligation to examine it at all.

Q. Does the amount involved make any difference with the question of examination?—A. That depends on whether he sees it or not. I think they look into a large matter with more care than they do an inferior matter.

Q. You think in case of a large matter involving a thousand dollars or more, it would be his duty to examine it?—A. I think he would.

WASHINGTON, D. C., February 29, 1876.

J. M. PARK sworn and examined.

By the CHAIRMAN:

Question. What is your position in the Post-Office Department?—A. I am a third-class clerk, known as an inspection-clerk.

Q. As an inspection-clerk is it your duty to make certificates for service performed on the routes within your district?—A. Yes. The States of New York and New Jersey are assigned to me. The duties of inspection-clerk are to see that the service is performed on all the routes in his section as agreed upon or contracted for. Some railroads never execute a contract, but there is an understanding between them and the contract-office that the service shall be performed in such and such a manner. A private individual has to contract to perform the service. As soon as a contract is made or service ordered on a route, it becomes the duty of the inspection-clerk to take the order and see that the service is performed as prescribed, and if a failure occurs, to ascertain, by correspondence with the postmasters at the termini and along the route, or with the contractor, why the service was not properly performed, and under an ordinary contract to impose a fine or make a deduction for the failure. There are certain clauses in the contract with the railroad companies which exempt them from these forfeitures in cases where the failure is unavoidable because of accident. Where the failure occurs through neglect on their part they are deducted like anybody else.

Q. In ascertaining whether the work is done what do you rely upon?—A. We rely upon the evidence from the postmasters at the two terminal offices. For instance, take the route from New York to Chicago; the postmaster at New York sends us a register at the end of each month, stating the precise hour at which each mail for that month left his office for Chicago, and the hour at which each mail arrived from Chicago. The postmaster at Chicago renders registers of the same kind.

Q. What would be the effect on the service if you did not require the certificates from the postmasters at the termini?—A. It is very hard to tell. If we did not require them we would have no way of knowing whether they had performed any service at all, except as the intermediate offices might complain. If they did not complain we would not know whether there was any service at all performed.

Q. Therefore you consider that the certificate of the postmaster at one end of the route is no evidence of the performance of the contract?—A. Certainly not. The contractor may go out ten miles from the office and stop there.

Q. Have you ever certified to any service without the proper certificates from the postmasters, as you have described?—A. Not knowingly. There are certain routes where we cannot get evidence from the postmaster, that is, the mail does not come into or out of his office. For instance, the route in New York State from Buffalo to Sus-

pension Bridge. There are two railroad-routes between those points. One of them runs from the Buffalo office to the Suspension Bridge office. The other one runs from Buffalo to Suspension Bridge—from the junction of two railroads, which, I am told, is about a quarter of a mile from the Buffalo office; I am told that the Erie Railroad branches out from the other road a short distance out from Buffalo, (what is called East Buffalo,) and runs through to Suspension Bridge without reaching the Buffalo office at all. Now we cannot get any certificate from the postmaster at Buffalo in regard to that mail, because the mail does not go into his office. Consequently, to enable me to report that service as performed, I have to take evidence from the postal clerk who runs in charge of the mail on the Erie Railroad. In that instance I have been required to report that service to the Auditor for payment on the certificate of the postal clerk, not being able to get any evidence from the postmaster, but further than that I have never, to my knowledge, reported a route without the evidence.

Q. You say you never did that unless you were ordered. By whose orders did you act in so doing?—A. Sometimes by the order of the Second Assistant Postmaster-General, and sometimes by the order of the principal clerk of the inspection-office. Mr. Samuel Lake is the principal clerk.

Q. Who was the man who gave you the order?—A. I have had the order from the Second Assistant Postmaster-General; not the present one, however, because the order has always come from Mr. Lake since Mr. Tyner has been Second Assistant. Colonel Routt, when Second Assistant, gave me an order to report on this certificate, a verbal order, but coming direct from him and not through Mr. Lake. That is often the case. Mr. Lake is not really the head of the division, although he is called the principal clerk of the inspection-office. We go to the Second Assistant Postmaster-General when there is any important point to be decided.

Q. Have you ever certified to the service on that route when you knew that service had not been performed?—A. When I knew that the service had not been performed both ways I have. I did have evidence that the service was performed from Buffalo to Suspension Bridge, but I never had any evidence that there was any service performed from Suspension Bridge back to Buffalo. There never has been any service from Suspension Bridge to Buffalo on the Erie Railroad.

Q. Have you made a certificate when you knew that the service had not been performed?—A. Yes; when it was not performed back.

Q. You made the certificate then without the regular evidence?—A. Without that evidence; I certainly did.

Q. How did you know the fact that the mail had been carried one way?—A. The postal clerk running in charge of that mail certified that the service was performed from Buffalo to Suspension Bridge twice daily, during a given month, but he would always say "no return service."

Q. Do you remember who directed you to do that in the first instance?—A. Colonel Routt.

Q. Please tell the committee how Colonel Routt happened to tell you. What conversation was there between you about it?—A. In September, 1871, there was an order made by the contract-office for service by the Erie Railroad between Buffalo and Suspension Bridge. That order went on the contract-books. Then it became my duty, as inspection-clerk, to correspond with the postmasters at Buffalo and Suspension Bridge, instructing them that it was their duty to furnish the Department with evidence at the end of each month that that service was performed. I got answers from the postmasters at Buffalo and Suspension Bridge, saying that there was no such service performed from their offices; that they knew of no such service by the Erie Railroad. I went to the contract-clerk and showed him that evidence and said to him, "We have another road there carrying the mail; these men say there is no mail carried by this railroad. Now I will have either to deduct this railroad company for the entire amount of the pay or you will have to make an order to annul the contract, and it is better and easier for you to do that than for me to go on making a deduction every month of their pay." The contract-clerk, Samuel King, made an order dated October 27, 1871, suspending that service. That became known to the railroad company and the matter was called up in the Department and referred to the head of the postal railway mail-service, Mr. Bangs. He reported that it was essential that this service be re-instated; that it was necessary to transport the New York mails through to the Great Western road of Canada, without going into the Buffalo office. Consequently, on the 7th December, 1871, Mr. King made an order re-instating that service, to take effect December 15, 1871. Then I went before Mr. Bangs and the Second Assistant Postmaster-General, and showed them my correspondence with the postmasters at Buffalo and Suspension Bridge, and told them that I could not certify to any service, because there was not any mail going out from that office over that road. It was then suggested by Mr. Bangs that the postal clerk running in charge of the mails should be required to furnish evidence of the service, and I was directed to pay on his certificate at the end of the quarter. At the end of the quarter I had evidence from the postal clerk that the service was performed from the 15th of December to Suspension

Bridge, but no return service; consequently, just one-half of the service required by the order of the contract-office was performed. I then felt in duty bound to make up a case against the railroad company, and deduct one-half their pay for that quarter. That passed in to the Second Assistant Postmaster-General and he signed it. It came back to me. I reported to the Auditor that that amount was deducted from their pay, and I sent them a notice that such a deduction had been made for the failure to carry half the mails between Suspension Bridge and Buffalo.

By Mr. AINSWORTH:

Q. State whether the contract was to carry both ways, from Buffalo to Suspension Bridge and from Suspension Bridge to Buffalo.—A. There never was any contract exactly. The order in the contract-bureau says "from Buffalo to Suspension Bridge and back." After they received the notice from me that a deduction on that amount had been made from their pay, an officer of the company came to the Department and brought the matter up. Colonel Routt was then Second Assistant Postmaster-General. He sent for me, and sent for the case. The case was investigated. It was evident from the papers that that service was performed but one way. Of course, as a subordinate, I had no questions to ask. Colonel Routt kept the case some time, and eventually sent for me and told me to remit that deduction, and to make no case against that railroad company for its failure, as it performed all the service it was required to perform. Consequently, I went right on from that until last spring, when we got a new set of officers, and I knew that it was customary and requisite for me, as an inspection-clerk, in the line of my duty, to make reductions for every failure to perform service, and I did not know but I might be censured by my superior officers if I failed to do so, as new kings make new laws. So as soon as Mr. Tyner came into office, I brought the matter to his attention, and I was ordered to make a case including the failures occurring from the beginning of the service, and including the failures for which a deduction had been made and remitted. I made that case, deducting one-half from their pay from the beginning, and the case was brought in to the Second Assistant Postmaster-General. It never came back to me. On an examination of the case and papers it was patent that the service had only been performed one way, but the railroad company insisted that that was all the service they were required to perform, as there were no mails to be carried back. The matter was then submitted to Mr. Spence, attorney for the Post-Office Department, and I learned that his decision in the matter was that there were two things which entered into the question: first, did the railroad company carry the mails with due frequency? and, second, did they carry the weight? It appeared from the records that the company did carry the mails with due frequency one way, and that there was no mail to come back, and also that they carried the weight, consequently they were not liable to any deductions. Since that I have been ordered to report the service without any further deductions. Every quarter since that Mr. Lake has ordered me to report that service as if it was performed both ways.

By the CHAIRMAN:

Q. State whether the order is entered on the contract-books to carry the mail both ways.—A. That I do not know. That is the way all orders are worded, but that is the only route in my section where the mail is not carried both ways. It appears that this service was inaugurated over the Erie Railroad expressly to expedite the passage of the through mails to Canada, avoiding the delay that would necessarily arise if the mails were run into the Buffalo post-office and deposited there, and if they had to wait their turn to go on the other road.

Q. Has there ever been any change in the order in reference to that contract?—A. No; the order stands the same.

Q. What change has been made in regard to the pay?—A. When the service was first ordered (in 1871) it was previous to the act of Congress regulating all the railroad companies by the weight of the mails. The order called for this service to be done at the lowest rate of pay allowed to railroads, which was \$50 per mile per year. The Erie Railroad Company was put at that rate, \$1,297 per annum, which was at the rate of \$50 per mile for $25\frac{4}{10}$ miles. The contract terminated on the 30th June, 1873.

Q. The point I want to arrive at is whether the company was paid that increased rate per mile both ways.—A. The company was paid \$50 per mile up to June 30, 1873, and the order read, "From Buffalo to Suspension Bridge and back."

Q. You made up the fines?—A. I made up the fines and deducted them, \$25 per mile, just one-half the pay.

Q. What is the distance between Buffalo and Suspension Bridge?—A. The distance is $25\frac{4}{10}$ miles. We paid the company \$50 per mile for that distance, but the company only performed service one way, which was one-half the service, and I just took off \$25 per mile for $25\frac{4}{10}$ miles.

Q. The \$50 rate was paid for both ways?—A. In the Department we reckon by the length of the road. We do not count distance back. That order was made on the 26th September, 1871, ordering the Erie Railroad Company to perform the service between Buffalo and Suspension Bridge, $25\frac{4}{10}$ miles, and back, thirteen times a week, to

be paid for at the rate of \$50 per mile per annum. On the 27th October, there was an order made suspending the order of the 26th of September, and on December 7, 1871, there was an order made re-inaugurating that service at the same pay, to take effect on the 15th December, 1871, and the railroad company has been paid for that service since the 15th December, 1871.

Q. You made a deduction of just one-half?—A. Yes.

Q. Every quarter?—A. I only made it for one quarter.

Q. But when Mr. Tyner came into office you made the deductions for the whole time?—A. Yes; from the 15th December, 1871, up to, I think, 31st March, 1875.

By Mr. AINSWORTH:

Q. When did the law changing from the pay per mile, without respect to weight, to the paying by weight, go into effect?—A. That law was passed by Congress on the 3d of March, 1873, but this railroad company did not weigh the mails, nor was the pay adjusted, under that law, till July, 1873.

By Mr. LUTTRELL:

Q. Do I understand you to say that this company carried the mail from one point to the other but carried no return mail?—A. That was the case with this particular road from Buffalo to Suspension Bridge.

Q. Then a business man desiring to send a letter from Suspension Bridge to Buffalo could not send it?—A. O, yes; there is another company running parallel with the Erie Road that carries the mails between Buffalo and Suspension Bridge twice a day.

By the CHAIRMAN:

Q. If a postmaster had sent in the certificate that the service was performed on this route both ways, would not the weight of the mails have been made up in the same way?—A. Of course, and the pay would have been just the same.

Q. Then, if I understand you, this company got paid for carrying the mail one way as much as if it had carried the mail both ways?—A. Yes; there can be no doubt about that. This route from East Buffalo to Suspension Bridge was recommended by Mr. Bangs for the purpose of expediting the passage of the American mails to the Great Western Railroad of Canada, without the delay that would necessarily be involved in leaving them at the Buffalo office. I know nothing about how much it expedites the mails, because I never was in Buffalo in my life.

Q. How much does this mail-route cost in a year?—A. The Erie Railroad Company is paid \$1,686.10 for carrying the mail on this route 24 $\frac{24}{100}$ miles, which is at the rate of \$65 per mile.

Q. How does the mail coming from Canada into the United States reach Buffalo?—A. It comes to the Suspension Bridge office and goes over the New York Central road to the Buffalo office.

Q. Then it takes two mail-contracts and full pay to make the double trip back and forth?—A. Yes.

Q. There is no other post-office on this route, except the offices at the termini, is there?—A. Yes, there are two small post-offices, I think, between Buffalo and Suspension Bridge, on the Erie road, and one or two on the other route.

Q. Do you ever get certificates from these post-offices about the carrying of the mail?—A. No, we never ask certificates for railroad transportation from the intermediate offices. If they start at one end and deliver the mails at the other, we take it for granted that they deliver at all intermediate offices unless somebody complains, as they are very apt to do unless the mail is left there.

Q. What did Mr. Routt say to you when you presented him the case which you made against the Erie Railroad?—A. I cannot recollect his exact language, but I can recollect the purport of it. He sent his messenger to my room for me. I immediately got up and went to Colonel Routt's desk. He said, "I wish you to bring me the case made against the Erie Railroad for failures between Buffalo and Suspension Bridge." I went back, got the case and took it to him. There was a gentleman sitting there whom I supposed to be an officer of the railroad company. After some time Colonel Routt sent for me again, handed me the case, and said, "Take this case and remit these deductions."

Q. Did you call Colonel Routt's attention to the fact that the mail was being paid for double in coming back this way?—A. I cannot say that I specifically called his attention to that fact, but he certainly must have known that fact.

By Mr. AINSWORTH:

Q. Did you state the reasons for making the deductions?—A. Yes; the reasons were written in full, as being a failure to perform the service one way.

By the CHAIRMAN:

Q. Did Colonel Routt say that they had any evidence to the contrary?—A. No; he said that the company was performing all the service required of it; that they got no

mails to carry back, and of course they did not carry any back; that they were performing all the service required of them, and that he did not want me to make deductions for their failure.

Q. Did he say why they did not get the mails to carry back?—A. No, sir.

Q. Is that the practice of the Department in any other cases?—A. I never have had such another case at my desk. I never had a route where service was not performed but one way.

Q. When you called Mr. Tyner's attention to it, after Colonel Routt resigned, did he instruct you to go back to the beginning and make the fines all the way up?—A. Yes; I made up the case, making a deduction from the beginning of the service up to that time. I had to have Mr. Tyner's signature to the case to give it validity. It was of no more account than any other piece of paper until he signed it. I do not know that he ever signed it, because I have never seen it since.

Q. Have you ever inquired for it?—A. I have; it is in the possession of Mr. Lake, the principal clerk in the inspection-office. I wanted Mr. Tyner to know that I was omitting these deductions, and I brought the thing to his attention. Then he ordered me to make the deductions from the beginning to that time. I made the case and took it to him for his signature. He took the matter under consideration, and consulted Mr. Spence, the Solicitor for the Post-Office Department. I do not think that Mr. Tyner ever signed the case. If he had signed it, it would have come to my desk to be filed.

Q. Did Colonel Routt send for the papers at the time you spoke to him about it?—A. Yes; he sent for the case.

Q. How long did he have it under consideration?—A. I think that probably by two hours after I carried it to him he sent for me again and gave me the case and told me to remit the deductions.

Q. From whom did the last order in respect to it come to you—from Mr. Tyner or from Mr. Lake?—A. From Mr. Lake.

Q. What did he say to you?—A. We talked it over—that this was Mr. Spence's decision.

Q. What did you and Mr. Lake say about it?—A. I had nothing to say, only to obey. I do not recollect that I had any conversation with Mr. Lake about it. Of course, after Mr. Spence's decision I had nothing to say, because he is the law-officer of the Department, and we consider that what he does not know about law is not worth knowing.

Q. Still, from what you know about the law you think different?—A. If I had been asked for an opinion, my opinion would have been different from his, but I had no opinion to give.

Q. Who is the next officer above Mr. Lake?—A. The chief clerk in the contract-office, Mr. French.

Q. Did any orders come from him about it?—A. Not on that particular route. The orders came in the first place from Colonel Routt, and since Mr. Tyner became Second Assistant Postmaster-General all the orders have reached me through Mr. Lake.

Q. Had you ever any conversation with Mr. French about it?—A. No, sir; I never had any conversation with him on any subject.

Q. Do you know a man named John J. Safely?—A. I think I would know him; I have seen him several times, but I never had fifteen minutes conversation with him. He did not represent any railroads in my section; my section includes New York and New Jersey, and Safely does not represent any roads in those States.

Q. Did he ever talk with you about this case?—A. No, sir; nor about any other case.

Q. What railroads was he understood to be agent for?—A. Some western roads, I believe; in Iowa and Michigan.

Q. Did you ever hear anything about a ring among contractors?—A. Yes, I have heard a heap about it.

Q. Were there any special contractors about the Department within the time that we have been speaking of?—A. Yes, there have been a great many contractors there, but very few of these contractors are from my States.

Q. I mean were there so many contractors about the Department that the clerks noticed and talked about it?—A. Yes; it has often been talked about that certain contractors were about the building so much.

Q. What were they doing around there?—A. That I do not know. The New York contractors, with the exception of the railroad companies, are almost all contractors for small routes, and none of them ever have had business at my desk.

Q. You have heard clerks talk about contractors from other States?—A. Yes, sir.

Q. What did they say about them?—A. Some of them said a heap and others not much. They would say various things. They talked without having any grounds for it. Almost all I have heard them say was surmise. They would say, for instance, "That fellow is about here to no good; he is about here too much; I do not like to see that fellow," or something of that kind.

Q. Do you know any of the contractors who were in the habit of frequenting the Department?—A. I used to know Sawyer in his life-time. He was one of them. Another was named Huntley. He does not come there much now, as he has had paralysis. I see him once in a while. And then this man Kittle, who got up the row last spring; I used to see him there, but I have not seen him for the last three or four months, I think. I used also to see Hines about there. I saw him passing through the hall the other day, but that is the only time I have seen him for three months.

Q. Do you know the contract-clerk, Floyd?—A. Yes.

Q. He is not in the Department now?—A. No; he was discharged last spring, when these frauds were first discovered.

Q. What was he discharged for?—A. I can only answer that from hearsay. It was common rumor that he was discharged for having taken money from a contractor.

Q. What contractor?—A. Kittle or Hines.

Q. There was a prosecution last year about it?—A. Yes.

Q. Was Floyd prosecuted?—A. I do not believe he was.

Q. Who was prosecuted in that matter?—A. I think Hines, a contractor from Alabama.

Q. What other clerks were implicated in that thing?—A. Floyd, Colt, and a clerk in the Sixth Auditor's Office; I forget his name.

Q. Were any of these clerks ever punished?—A. No, sir; not to my knowledge. They were discharged from the Department, or they were permitted to resign, or something. All the Postmaster-General's orders are put into his journal, and there is a clerk who keeps the journal and does nothing else, and we clerks do not have access to that journal.

Q. What is the name of the clerk who keeps that journal?—A. Wilson.

Q. Did you understand that the fraud was proved upon these clerks?—A. It was the understanding that they acknowledged that they got the money.

Q. There is no doubt in the Department about their guilt?—A. No, sir; nobody doubts it; at least I never heard any one express a doubt. I think they did not deny it.

Q. Did the clerks in the Department know this before the trial of Hines?—A. They never suspected it until the thing became public, which was a few days before Hines was arrested.

Q. Were these clerks made witnesses on the trial of Hines?—A. I believe so. I believe all of them were examined as witnesses against Hines. Hines was the man who was indicted. Kittle, if I understand it, was permitted to be State's evidence against Hines. I think some officer of the court remarked that if Kittle was the prisoner instead of being the witness, it would not be hard to convict him. I saw that mentioned in some of the papers.

Q. Did you know of any of those clerks having received money from Kittle?—A. No, sir; I never suspected such a thing till it came out and the clerks acknowledged it.

Q. You do not know anybody in the Department who has received money from mail-contractors?—A. No, sir; I do not.

Q. Was Kittle used as a witness in the trial against Hines?—A. Yes; I think so.

Q. Was Hines convicted?—A. No; I think not.

Q. Then your understanding is that there has been nobody punished at all?—A. I think not. I never have heard of anybody being punished except the poor devils who lost their positions by being turned out of the office.

Q. Do you know a man named Rothrock?—A. Yes, sir.

Q. What kind of a man is he?—A. He is a good sort of fellow, but has not got much mind. If he ever had much of a mind it has been destroyed by suffering. He suffers terribly with dyspepsia. He is an innocent, ignorant fellow, but I should say that I do not think he is entirely responsible for what he does.

Q. Was he used as a witness by the Post-Office Department in that trial?—A. I think so.

Q. Is he now employed in the Department?—A. I think he is. He was a messenger there a month or two ago, and I have never heard of his being dismissed.

Q. Did you ever know of his being hired by Kittle?—A. I have heard of it in the Department that he was employed by Kittle to give him possession of the stamp with which the bids were stamped.

Q. How did he come to have possession of the stamp?—A. He was the messenger to the Second Assistant Postmaster-General; sat at his door, answered his bell, carried papers from and to him, and had access to his room.

Q. He was considered smart enough for that purpose?—A. O, yes; it did not require a great deal of talent to do what he had to do.

Q. Was he considered reliable in doing what he was ordered to do?—A. I never heard anything to the contrary.

Q. Do you know this other clerk, F. L. Channel?—A. Yes; he is a brother-in-law to Mr. French, as I understand.

Q. What part did he take in that conspiracy?—A. I cannot tell you. He was em-

ployed in various capacities at various desks in the Department. He had no stated desk. I think he was charged with having had something to do with furnishing a stamp to Kittle.

By Mr. LUTTRELL:

Q. You stated that you have heard a good deal about rings in the Department.—A. Yes, sir.

Q. State what you have heard about them?—A. That would be impossible. I have heard of rings among contractors and of rings in the Department, but if there ever was such a thing, all I know about it was mere hearsay.

Q. The common rumor was that there was a ring existing in the Department?—A. It did not appear to be the common rumor that there was a ring in the Department till these frauds were discovered. It was common rumor that there was a ring among contractors in manipulating that service.

Q. Do you know Mr. Brown, of the contract-office?—A. Yes; he is not there now.

Q. Where is he now?—A. I don't know. I saw him some time ago, and he told me he had just come from Burlington, Ill., where he used to live.

Q. You spoke of weighing these mails on this route from Buffalo to Suspension Bridge. Who weighed the mails?—A. I do not know.

Q. Was it the railroad employes or a clerk from the post-office?—A. I think it was a railroad employe. If it was a post-office official, it was done at the expense of the railroad company.

Q. Are the mails weighed every day?—A. They are expected to be weighed every day for three months, and then the average is taken.

Q. Do you know that this railroad company complied with this order, and did weigh the mails?—A. I only know that the report was made to the Office that the order was complied with. The weighing of mails in no way pertains to my desk. James N. Davis is the person who issues orders to railroad companies to weigh the mails. When he receives their report he adjusts their pay by their weight of the mail.

Q. Do you know how much mail this company is required to carry?—A. No, sir; I do not. The law of Congress prescribes what the pay of railroad companies shall be per weight of mail.

By Mr. AINSWORTH:

Q. Did you put Mr. Tyner in full possession of the facts regarding the manner in which the mail is carried between Buffalo and Suspension Bridge?—A. Yes; I know he understood it, from the fact of his calling on the Solicitor for the Post-Office Department. Certainly he understood it; he did not rely on his own opinion in respect to it, but brought in the Solicitor, Mr. Spence, and laid the facts before him, and acted on his opinion.

Q. Does the New York Central Railroad carry the mail from Suspension Bridge to Buffalo more than twice a day?—A. No, sir; I think not.

Q. This contract is to carry it twice a day?—A. Yes; that is my recollection about it. My understanding about the weighing of the mails is that they are only weighed at one end.

Q. How long have you been in the inspection department?—A. Since March, 1861.

Q. You are familiar with the rules of that department?—A. I think I am.

Q. What is the rule of that department as to the proof required before making a certificate of completed service before reporting to the auditor for payment?—A. A certificate is required from the postmasters at each end of the route.

Q. Covering what length of time?—A. The rule is to have the postmaster at either end of the route send a report in at the close of each month. If he fails to do it for a month, (as in case of sickness or death,) then I write to have some one certify under oath in what manner the service was performed, some one having a knowledge of the fact; a clerk in the post-office, for instance, or a route-agent.

Q. Are you permitted, by the rules, to certify for any more time than you have proof of service?—A. No, sir; nobody is permitted to do it.

Q. Have you ever certified to three months completed service when you have only had proof of a portion of the time?—A. No, sir; I never have.

Q. Then the rule of the Office is only to certify for the completed service of which you have proof?—A. Yes, that is the rule of the Office; and, so far as I am concerned, it has been always observed.

Q. And when you make a certificate without a deduction or fines for the quarter, it is a certificate for completed service for that time?—A. Yes.

Q. And a certificate of completed service for any time without the proof being on file in your Office would not be regular, would it?—A. No, it would be fraud. The Second Assistant Postmaster-General must rely on his clerks. I could trump up a certificate, fill it up, carry it to him and get his signature, and have the money paid; but it would be unlawful, of course. He has no time to look into these matters himself.

Q. But it would be fraud on the part of any clerk to make such a certificate without proof?—A. Certainly, it would be.

Q. Would the order of the Second Assistant Postmaster-General to make out that certificate supply the proof for your Office if there was not sufficient proof on file?—A. No, it would not supply the proof.

Q. It would not make the certificate true, either, would it?—A. No, it would not furnish evidence that the service was performed, of course not.

Q. It is on the certificate from your Office that the service has been performed that the Auditor pays?—A. Yes; he does not pay anything until he gets a certificate from our Office.

Q. Are there any other routes in the two States of which you have charge in the inspection-office on which you know that payments have been made for service not performed?—A. No, sir; there is no other road that I have any recollection of that was ever paid without evidence that the service was performed. Occasionally a postmaster may be sick and unable to send a certificate, and the contractor may need his money. If we wait for the postmaster, the contractor may be kept a long time out of his pay, and I sometimes take the responsibility of certifying to the service when I have evidence from one end of the route.

Q. Suppose you have no evidence from either end?—A. Then I never do it.

Q. Would you have a right to do it?—A. Certainly not.

Q. You have no right to do the other?—A. Only by permission. I always asked the permission of my superior officer. I never did such a thing without the authority of the Second Assistant Postmaster-General or of the chief clerk. I always go and report to him: "I have not the evidence for the last month from one end, but the contractor needs his pay; shall I not certify it?"

By Mr. CANNON:

Q. Did you ever receive any orders to certify service where full proof was not in from both ends of the route when the contractor's service had expired?—A. Not to my recollection.

Q. It would be a very different thing to certify service on a contract that had several quarters to run, and to certify it on one that was just expiring?—A. A very different thing. It is a rule with all of us inspection-clerks that when a contract is going to expire we will not certify to service till we have full proof. But where the service is going on and where another month's service is already performed, we have a chance to catch the contractor in the next quarter if there are any deductions to be made.

Q. Do not the proofs come in pretty promptly from New York and New Jersey?—A. Not so promptly as you would think. Postmasters in these little country post-offices are exceedingly negligent. Out of 1,600 postmasters in New York State that are always sending proof to the Department, there are no less than 400 who have to be reminded of their duty every quarter, and some of them have to be reminded two or three times.

Q. State if it is not true that it has been the policy of the contract-office, both for the good of the contractors, and in some part for the good of the service, to let contractors be paid as promptly as possible for the service performed?—A. The head of the contract-office instructs inspection-clerks that it is their duty to get the evidence in as promptly as possible, and immediately on receiving the evidence to report the service to the Auditor. I have those two States. I make my first report for the State of New York about the 13th of the month following the expiration of the quarter. I will report then perhaps 2,300 routes, and by the 17th of the month I can report all the routes in the State of New York, except, perhaps, ten or fifteen, and they will probably hang on until toward the last of the month, and perhaps into the next month.

Q. While you said that it would be a fraud for a clerk, on his own motion, to make a certificate before the returns for the last month were in, if he reported that the returns for two months were in and that the returns for the last month were not in, and then if he had orders from his superior officer to certify to the completed service, would he be guilty of fraud?—A. Certainly not. It is not fraud on his part when he does anything by the order of his superior officer.

Q. This matter of proof is a matter of regulation by the Postmaster-General?—A. Yes; on the laws made by Congress.

Q. It is a regulation made in pursuance of law, is it not?—A. I think that there is a law of Congress which requires proof to be had that the service was performed, and then the Postmaster-General prescribes by regulation what particular form of proof shall be had.

Q. You spoke of the weight of mails on this route from Buffalo to Suspension Bridge, on the Erie Railroad. Do you know whether at the time Colonel Routt called up the case and had that remission made he had the Solicitor's advice or not?—A. No, sir; I do not.

Q. You know, however, that Mr. Tyner did consult the Solicitor?—A. So I understood.

Q. The compensation of railways for carrying the mails depends upon the weight of

the mail carried, and that mail is weighed which passes over the road one way?—A. That is my understanding of it.

Q. Is it not weighed the other way?—A. I think not; I think the mail is only weighed one way.

Q. Where does the New York Central Road commence?—A. I think in New York City.

Q. And ends where?—A. I do not know. None of those roads constitute a single mail-route for contract purposes.

Q. Where does the route on the New York Central, that carries the mails to Suspension Bridge from Buffalo, commence?—A. I suppose at Buffalo and ends at Suspension Bridge.

Q. Is it not true that the heaviest weight of mail would be from Buffalo to Suspension Bridge?—A. Yes, sir.

Q. And that is the way that the mails are weighed?—A. I should judge so.

Q. This other route, on the Erie Road, from Buffalo to Suspension Bridge, commences at East Buffalo and ends at Suspension Bridge?—A. Yes, sir.

Q. And the heaviest weight of mails on that road, if it were to carry the return mail, would be from Buffalo to Suspension Bridge?—A. I think so. There is a much heavier mail from the United States to Canada than there is from Canada to the United States.

Q. Then if that be true, and if the weight of the mails on which pay is fixed is greater from Buffalo to Suspension Bridge than on the return, it does not make any extra cost to the Government to have the Canadian mails carried on the New York Central Railroad?—A. No, not if that is the way the mails are weighed.

Q. So, then, while these two routes are existing, it makes no difference to the United States, and it does not cost a dollar extra, whether both of these companies carry the same mail back divided between them, from Suspension Bridge to Buffalo, or whether one of them carries it all?—A. No, I do not think it does. I cannot see that it entails any additional expense to the Government. Each road is paid for carrying the mail back and forth. The mail going toward Suspension Bridge is weighed at Buffalo, and the company is paid so much per mile on that weight. If that road carries all the mails back, or if both companies carry it, the pay is just the same, and I cannot see that it makes any difference to the Government.

By the CHAIRMAN:

Q. I understood you to say that these companies are paid for carrying the mails both ways, but that the mails are weighed only one way?—A. It is understood, of course, that if a railroad carries the mail one way it also carries it back, and my understanding is that the mails are weighed at only one end of the route, although I do not speak by the book.

Q. Suppose, as was the case here, that the one company did not carry any mails back, would not the Government be losing money if that mail had to be carried on another road?—A. If the Government paid the other road any more for carrying the mail back, it would make a difference, but the other company is paid just the same as it would be if it only carried back half the mail.

By Mr. CANNON:

Q. Do you know whether the Erie Railroad Company has ever refused to carry the mail back from Suspension Bridge to Buffalo?—A. I never heard so. I never heard of it refusing to take any mail that was offered. No such thing has ever been reported against it.

Q. Is it not true that the trains are so run on the Great Western Railroad of Canada, coming east, that the mail passes more advantageously over the New York Central than it would over the Erie?—A. Where the Erie Road runs into the Great Western there is no post-office, so that the mails that go over the Erie go right on to the Great Western of Canada, without breaking bulk, whereas the mails coming in from Canada run into the post-office at Suspension Bridge and are shipped to Buffalo.

By the CHAIRMAN:

Q. Where are the mails weighed that go on the New York Central from New York to Buffalo? Are they weighed at New York?—A. Yes.

Q. Where are the mails weighed that go on the Erie Road from New York to Suspension Bridge?—A. At New York, I should judge.

Q. Where are the mails weighed that go from Buffalo to Suspension Bridge?—A. I do not know.

Q. Do you know what the compensation of the New York Central is for carrying the mails between Buffalo and the Suspension Bridge?—A. I do not.

By Mr. AINSWORTH:

Q. Is your room distinct from the other inspection-clerks?—A. Yes; I am the only inspection-clerk in the room I am in. There are five clerks in the room; three contract-clerks, one route-book clerk, and myself.

Q. You stated that it was the general impression that certain contractors were about the office more than was necessary. State whether any other persons, to your knowledge, have been about the office interfering with the clerks, either inspection or contract clerks?—A. I never heard it surmised. I have seen but few contractors there since last spring, when that hurrah was got up.

Q. Do you know Mr. Peterson?—A. I never saw him to know him.

Q. Have you ever been inspection-clerk over any other States than New York and New Jersey?—A. When I first came into the Department I had the Territories along with the State of New York, until the mail-routes became so numerous in the Territories that the Second Assistant Postmaster-General concluded that my desk was too heavy, and so he took the Territories from me and gave me New Jersey, making another desk out of the Territories.

WASHINGTON, D. C., *March 6, 1876.*

WILLIAM D. KITTLE sworn and examined.

By Mr. AINSWORTH:

Question. State your name, residence, and occupation.—Answer. William D. Kittle; I reside in Washington City; my occupation has been mail-contractor.

Q. Are you acquainted with Mr. Tyner, First Assistant Postmaster-General?—A. Yes, sir.

Q. When did your acquaintanceship with him begin?—A. It commenced about as soon as he took his position as Second Assistant Postmaster-General, or soon afterward; some time in March, 1875.

Q. Look at those proposals lying in front of you, or look at any one of them, as they are all similar, and state everything you know regarding the making of those proposals; whether you had any conversation with Mr. Tyner in regard to the routes or proposals.—A. The last week in February I went and had a conversation with Mr. Tyner in regard to proposals in the State of Florida.

Q. Do you mean in February?—A. In February. I made up my mind not to bid on any routes. I had heard that Florida had an advertisement. I was under the impression it was for one year, but I found it was for four years.

Q. February of what year?—A. 1876.

Q. Do you mean the last week in February or the last week in January?—A. I mean the last week in January. I went and asked his advice about placing bids in the State of Florida, and at the same time also to get the book, so that I could have the lowest prices of the bidders at the last letting, and to ask him in regard to my putting bids in for the State of Florida. He advised me not to put in bids for the State of Florida. I told him I thought I would put some bids in, and he said that he thought I was a failing contractor. I told him no, that I did not think I was a failing contractor; the Department had paid me all up, all that was due me, and I had not failed on any routes that I knew of—that is, that the Government had paid me. He said he was going to get a decision by the Assistant Attorney-General for the Post-Office Department. I went in the mean time to see Mr. Woodward, asking him, "Why is it that Mr. Tyner will object to my placing bids in the Department, thinking that I was a failing contractor?" Said he, "Mr. Kittle, you know there has been a good deal of talk about your transaction of last spring, and if you should put in bids in the State of Florida there might be a good deal of scandal raised." It was very brief. He was very reluctant. He did not want to say anything. Then I met Mr. Tyner the next day. That, I think, was about the 26th, 27th, or 25th, and he told me that Judge Spence had decided against me. I may possibly be mistaken; it was either Mr. Tyner or Mr. Woodward. Then I told Mr. Woodward (or Mr. Tyner) that I would put in bids in other parties' names; which I did.

Q. What reply, if any, did he make to you?—A. Well, there seemed to be no reply. The reply I got was that Spence had decided against me; that I was a failing contractor; and I replied that I would put bids in in other men's names, and that I would get it; and I did so.

By the CHAIRMAN:

Q. Bids were put in, in that view, as your own?—A. Yes. I don't deny that I have an interest in them, but they were put in by Reynolds.

Q. When were those bids completed?—A. The last signature we had was at Mr. Edmunds's. That is where they were completed. The last signature, so as to make it complete, was the postmaster of Washington, signed it.

Q. Where were they acknowledged?—A. Mr. Ryan, himself, went down on Tuesday morning about 11 o'clock. I recollect distinctly; I was in a hurry, and wanted to get off for New York that day, and it was signed, I think, about 11 or 12 o'clock, or be-

tween 12 and 1 o'clock ; because I hurried, and saw Mr. Zevely, and had him place these names in, and I went from there right down to the depot.

Q. Who is Mr. Zevely ?—A. He is an attorney here who attends to business for several mail-contractors in the Department.

Q. Do you remember whether Mr. Ryan was sworn ?—A. Yes ; Mr. Ryan went down with me with the bids.

Q. In what condition were they at the time he was sworn to them ? What signatures were then to them ?—A. They were complete, with the exception of Mr. Edmunds's name.

Q. Had Mr. Clark then witnessed them ?—A. Yes ; Mr. Clark had witnessed them. Mr. Clark witnessed them on Monday, the day before.

By Mr. LUTTRELL :

Q. Mr. Clark had witnessed them on Monday ?—A. Yes ; Mr. Clark had witnessed them the day before.

Q. The day before this notary public did ?—A. The notary public witnessed them at the same time that Mr. Clark did.

Q. Both in the same office ?—A. No, sir ; both in the same office, but not in Mr. Callan's office. And when these bids were filled up, Mr. Ryan signed some before I did, and I signed some before he did. There was a pile of them ; some seventy-one bids ; I would sign some and throw to him, and he would sign some and throw to me ; but I usually signed the most of them. I was the fastest writer. Sometimes I would give him a pile to sign, and sometimes I would sign here, just as it happened ; so you see my signature is sometimes first on here, and sometimes his signature is first.

Q. Is Mr. Ryan interested in these bids ?—A. No, sir. When I went to Mr. Ryan I was in a hurry to have the bonds made up. I went and asked Mr. Ryan if he would go on the bonds with me. He said he would. He always represented to me that he owned some property on Capitol Hill and 500 acres of land within sixteen miles of Little Rock. He was doing nothing, and I asked him if he would have any objection. He said, "No." There were other parties who were wanting to go on and have a commission of \$125, and I told Ryan I did not want to give that, but if he would go on, and could take the oath, why I would make it all right with him. He went on, and I said to him particularly, said I, "Mr. Ryan, I don't want you to go on unless you are certain you can take this oath." He said he could. He said he was not worth the whole. "But," says he, "I am worth the amount of each bond, and more besides." I asked him if he could get letters to sustain him. He said he could, and mentioned Mr. Gunther and Judge Wilshire. When the bonds were all complete, or before they were complete, I went up to see Judge Edmunds in regard to it. I went up with Mr. Ryan. It was with Mr. Ryan I went up there, instead of Mr. Reynolds.

By the CHAIRMAN :

Q. That is, to Judge Edmunds's ?—A. Yes ; and Mr. Ryan spoke to me. Mr. Ryan said at the time, "I expect a position in the Post-Office Department, and it might hurt me to have my name on it." I told him no, it would not make any difference. The first letter I produced was Mr. Conover's. I produced the letter and asked him if he was satisfied. Ryan said he was acquainted with Mr. Edmunds, and that is the reason I did not take him up there to Judge Wilshire. Judge Edmunds did not seem to know him. Then I took the bonds and everything all complete, ready, and went up to Judge Edmunds. Edmunds refused to sign these bids unless Mr. Ryan would be sustained. He was satisfied by me that the bonds were all right, but would not sign the bids unless somebody would sustain me by letter, and I went and got this letter of Judge Wilshire. On Tuesday I went with the bonds, I remember particularly. As I was going from the Post-Office Department, I met Mr. Hopkins, special agent then, and I wanted to see him. He was busy in one of the rooms. I was going on to New York City, and I wanted to see him on some matters, and I recollect distinctly it was Tuesday ; and to refresh my memory I went to see Mr. Hopkins, and it was on Tuesday.

By Mr. AINSWORTH :

Q. Were these bonds all completed, except Judge Edmunds's signature, before you had got the letter of Wilshire ?—A. Yes, everything was completed ; the signatures and everything were upon it.

Q. When did you first have the conversation with Judge Edmunds in regard to obtaining the letters ?—A. It was on Monday. On Monday I got Senator Conover's letter, because I met Senator Conover here on Monday, and I went down town with him in a carriage, and he gave me a letter down there. I cannot tell where he did give me the letter, but he gave me a letter, and I gave it to Judge Edmunds, who placed it on file.

Q. And when did you get Wilshire's letter ?—A. Either on Monday or Tuesday, I have forgotten which. I cannot swear what day I got it on. I got Judge Wilshire's

letter, though, the very day that Judge Edmunds signed these bonds. I think I am positive, because he wanted another letter.

Q. Had you obtained Conover's letter before you talked with Edmunds?—A. No, sir. I first went to Judge Edmunds on Saturday, I think. Senator Flanagan had placed some letters there substantiating me and some other parties, and these other parties were in town, and I wanted to see if they were on file there. I went down there and could not find but one letter. Of course I knew then that he had lost these letters. My name was not in there. I knew by his ruling that I would have to go and get a letter. In the mean time Mr. Ryan said he would get a letter from Judge Wilshire, which he did not. On Monday I went down there and I met Ryan again, and went into Edmunds's room; I think it was just before the post-office closed. I recollect distinctly when I went in there Mr. Hinds was sitting there, and Mr. Edmunds was signing a lot of bonds for Mr. Hinds, or somebody, I do not know who. Mr. Hinds was there at the time.

By Mr. LUTTRELL:

Q. Where is Mr. Reynolds now?—A. I do not know, sir.

Q. Do you know where he lives?—A. Yes.

Q. Where does he live?—A. He lives in Kalamazoo, Mich.

Q. Is that his residence?—A. Yes.

Q. Do you know why he stated that Washington City was his post-office address?—A. Because I presume he came here just as other contractors do generally. It has been done thousands of times when contractors are in the city; contractors give their address as here, and say they live in Washington City, when they live a thousand miles away from here. It is a very usual occurrence. Most likely if he had got those contracts he would have made his residence here.

By the CHAIRMAN:

Q. Is he a relation of yours?—A. Yes. I stated that to Mr. Tyner the other day up at the post-office.

By Mr. AINSWORTH:

Q. He is your brother-in-law?—A. Yes.

1. Q. He was here in the city at that time?—A. Yes, he was here.

Q. And was before Mr. Callan?—A. I do not know. I did not see Mr. Reynolds sign them. That is for Mr. Callan to say.

2. Q. Was Mr. Reynolds there?—A. Yes. Reynolds signed them.

Q. That was on the day previous to the approval by the postmaster that they were executed?—A. They were all signed and everything complete, and the signatures nearly all on. Some of them went on on Saturday, because Ryan and I signed them on Saturday.

Q. Yes; but was Callan's signature on them on Saturday?—A. No, sir. He had the bids all right, in this way. You can see there is another man's handwriting on here. The reason I started first was, that I expected to leave. I wanted to go to New York on Saturday night, and I wanted to get them in on Saturday, and was hurrying them up as fast as I could. Then I saw I could not get off, and waited till Monday or Tuesday. I got them then, and then I had Ryan come up to my room, and we rushed them through. Ryan signed sometimes and I sometimes first. That is the way it went all the way through.

Q. How does it happen that the signature of Callan was written the 1st of February, while the letters, which you say were obtained after the papers were completed, are dated the 31st of January?—A. I cannot give you any definition. I know I got those letters that date.

Q. The date which they bear?—A. I got Judge Wilshire's letter the day after I put Conover's letter in.

Q. And you got Judge Wilshire's letter after those papers were completed?—A. Yes.

Q. But Conover's you got before these papers were completed?—A. I got Conover's letter before I did Judge Wilshire's.

By Mr. LUTTRELL:

Q. Who signed those bonds first, you or Reynolds?—A. I signed some of them before Reynolds did. Ryan and I signed first. Here is the affidavit of another man, who knew that Ryan went on the bond with me, which I will submit to the committee. I told Mr. Ryan at the time, said I, "We have had so much trouble with these bids that I want the thing all square and right; I do not want you to put your name on unless you are all right." He kept hedging all the time; said he was afraid he could not get the position in the Post-Office Department; he said he had been promised a position.

By the CHAIRMAN:

Q. By whom is that affidavit made?—A. By Mr. McKenna; he has been well acquainted with Mr. Ryan for the last twelve years. I have other witnesses who

know it, but they refused to give their evidence because they did not wish to be mixed up in the matter.

The affidavit submitted by the witness is as follows:

"DISTRICT OF COLUMBIA,
"County of Washington:

"On the 3d day of March, A. D. 1876, before me, a notary public in and for the District and county aforesaid, personally came B. McKenna, who, being duly sworn, deposes and says, that on the 31st day of January, A. D. 1876, at the Metropolitan Hotel, in this city, he heard Wm. D. Kittle and A. G. Ryan arranging for A. G. Ryan and himself to go upon a mail-contractor's bonds for contracts in the State of Florida; they left for the purpose of arranging the bonds; that a few days afterward he met A. G. Ryan at the Capitol, and spoke of this matter. Your official asked Ryan if it would be necessary to go to Florida, and Ryan replied "O, no; I am only on the bond with Kittle."

(Signed)

"B. MCKENNA.

"Subscribed and sworn to before me this 3d day of March, A. D. 1876.

[SEAL.]

"JAMES NICH'S CALLAN,
"Notary Public."

By Mr. AINSWORTH:

Q. Is Mr. McKenna here in town?—A. Yes; he was here Saturday afternoon.

Q. What are his initials?—A. R. McKenna, I believe.

Q. You have had considerable to do with mail proposals and contracts within the last few years?—A. Yes.

Q. State whether previous to putting in those proposals you obtained any information in regard to amounts which were then being paid for carrying the mail on these routes. And, if so, from whom.—A. Well, as I stated in the first instance, I cannot say it was the first time or the second time. I asked Mr. Tyner if I could have the list of the routes, so that I could see how to guide myself, and put the bids in. Of course we all know that when these routes are going to be bid over again they are going to be lower. They are not going to go high; but we have to have them as a guide to bid on. This is the book Mr. Tyner gave me, [producing a book.]

Q. Was it understood between you and Mr. Tyner, when that list was given you, that you were, either in your own name or in the name of some other party, to bid for the routes?—A. That I cannot exactly say. I told Mr. Tyner that if I could not bid in my own name I would bid in some other name, and so I told Mr. Woodward.

Q. Was that before or after he gave you this list?—A. Of that I cannot be positive. It was either before or at the time he gave me this book. I do not know whether it was Mr. Tyner told me there was a decision against me or Mr. Woodward; it was either the one or the other told me there had been a decision by Judge Spence. Then I made the remark that I did not see why they wanted to kill me that way, as they had paid me all up, and there was no record that I was a failing contractor. They had suspended my pay, but I was not a failing contractor.

By Mr. LUTTRELL:

3. Q. Is there any other person or are there any other persons interested in these bids but yourself and Mr. Reynolds?—A. That is all that I know of, sir. I went on the bonds expecting, of course, to have the benefit of it, the same as other parties do now in the contract-office.

By Mr. MCMAHON:

4. Q. What is Mr. Reynolds's pecuniary ability?—A. Not much, sir; not more than a good many others who are contractors in that Department to-day.

5. Q. He relied upon you to furnish the means?—A. Yes; I had to furnish all the capital and put the stock on, and I was to have the management of it.

By Mr. MILLER:

6. Q. How were you to divide the profits?—A. We had not had any calculations on that. I expected that, like the others, I was to get the lion's share of it.

By the CHAIRMAN:

7. Q. I understand you that you used his name for getting the contract for yourself?—A. Yes; I was going to give him a percentage; I don't deny that, sir.

By Mr. MILLER:

8. Q. What day was it when you had this conversation with Mr. Tyner?—A. It was the last week in January.

Q. And those bonds were made out on what day in February?—A. Those bonds were all made out before the 2d day of February—before they should go in.

9. Q. Where did Mr. Reynolds live at that time?—A. In Michigan.
 Q. Then a week had elapsed after you had this conversation with Mr. Tyner before those bonds were executed, had it not?—A. It was not quite a week, I think.
 Q. How many days?—A. Well, the fore part of the week; it might have been Monday or it might have been Tuesday; I cannot tell which.
 Q. How many days do you think it was after this conversation that this bond was executed?—A. Four or five days.
 Q. Did you write to Mr. Reynolds to come on?—A. No, sir.
 Q. How did you get the word to him to come on?—A. The word got to him to come on.
 Q. Did you send word to him to come on?—A. I got other parties to write to him; yes.
 Q. What day of the month did they write to him?—A. I cannot tell.
 10. Q. At what date do you fix the conversation with Mr. Tyner?—A. I think it was the last week in January; I cannot tell exactly what day.
 11. Q. You said the 26th of February, didn't you?—A. I will not say even that. It was the last week in January; that I do know.
 Q. Who was it that wrote to Mr. Reynolds?—A. I cannot tell.
 Q. Do you know that somebody did?—A. Yes, sir.
 Q. Do you know who?—A. No, sir.
 Q. You wanted him to come here?—A. Yes.
 Q. Whom did you tell to write?—A. That I cannot say.
 Q. But do you mean to say that you wanted him to come, and had a letter written, and do not know who wrote it?—A. I had some parties to write it.
 Q. Who were the parties?—A. I had Mr. Atkins to write it.
 Q. Where does he live?—A. He lives at 716 Fourteenth street.
 Q. Do you know what day he wrote it?—A. No, sir.
 Q. Did Mr. Reynolds come on immediately, or did he answer the letter?—A. That I do not know.
 Q. I want to know, now, if Mr. Atkins told you that he had heard from Mr. Reynolds after writing to him?—A. The first I knew of it, Mr. Reynolds was there at his house; he had got there.
 Q. He had come in answer to the letter?—A. Yes, sir.
 Q. What day was that?—A. That I do not know.
 Q. Can you not tell about what day?—A. That he answered the letter?
 Q. No, that he came?—A. I think he got there about the last week in January.
 Q. But what day was it?—A. It might have been Friday or Saturday. I cannot tell.
 Q. What day were these bonds executed; when did you commence them?—A. I commenced them about that time or before that.
 Q. What day?—A. I think they were commenced about Friday or Saturday, or, perhaps, Thursday. A good many of those bonds were written out in blank here before there were any names put in.
 12. Q. Mr. Reynolds stopped with Mr. Atkins?—A. Yes, sir.
 Q. You saw him there?—A. Yes, sir.
 Q. Is Mr. Atkins a lawyer?—A. No, sir.
 Q. What is his business?—A. Well, he keeps a boarding-house there.
 Q. He stopped with him?—A. Yes.
 Q. Whereabouts was that?—A. 716 Thirteenth street.
 Q. Were these bonds made out there?—A. No, sir.
 Q. Where were they made out?—A. They were made out, a portion, at my room.
 Q. Did Mr. Reynolds sign them?—A. No, sir; I did not see him sign them.
 Q. When you and Ryan signed them he had not signed them?—A. No, sir.
 13. Q. When you and Ryan executed them and acknowledged them before the notary, had they then been signed by Mr. Reynolds?—A. Yes, sir.
 Q. Mr. Ryan went down to the notary when you were there?—A. Yes.
 Q. Did anybody else go with you?—A. No, sir.
 Q. Did you see Mr. Reynolds there?—A. No, sir.
 14. Q. Did you see him anywhere, excepting at Atkins's?—A. No, sir; only at Atkins's; because Mr. Callan witnessed Mr. Reynolds's signature here.
 Q. You did not introduce Mr. Reynolds to Callan then?—A. No, sir.
 Q. And do not know who did?—A. No, sir.
 15. Q. When did Mr. Reynolds leave the city?—A. I think he left about Wednesday—Tuesday or Wednesday. He left when I went to New York.
 16. Q. Did you see him after he had signed?—A. I am not positive; I could not swear to it.
 17. Q. Did Ryan see Reynolds while he was in town?—A. Yes. I told Mr. Ryan that Mr. Reynolds was going to sign these bids at the time he signed with me—no; the day after. The day after I told him that Reynolds had signed them.
 Q. Mr. Reynolds had not signed when you left Mr. Callan's office?—A. The last time?

Q. Yes; when you and Ryan left.—A. O, yes; he had signed them; they were all complete. Mr. Ryan and myself signed them here before Mr. Reynolds, because you can see conclusively most of his ink was right over Mr. Ryan's name.

Q. But you were not there when he was there?—A. No, sir; I did not see Mr. Reynolds take the oath.

Q. I do not quite understand that. Did you sign them before Mr. Reynolds signed them?—A. I signed them before.

Q. You and Ryan?—A. Yes, sir.

18. Q. And you had left before Reynolds signed?—A. I had left before Reynolds signed. I signed them before Reynolds had signed them, because I knew Reynolds was going to be on.

Q. You did not see Reynolds at the office at all?—A. No, sir; I did not see Mr. Reynolds sign them, nor hear him take the oath.

Q. Nor see him there at Callan's office?—A. No, sir; I did not.

19. Q. What time do you think he signed them?—A. I think he signed them about Monday or Saturday, I cannot tell which. My impression is that he signed them on Saturday, because W. T. Clark came up and signed them early Monday morning.

By Mr. LUTTRELL:

Q. When did you take those bonds first to Mr. Callan's office?—A. On Tuesday morning.

Q. That is the first time they were ever in his office?—A. Yes, sir; at the time he signed them.

Q. When did you take them away from his office?—A. I took them away then.

Q. Were you there all the time that those bonds were in Mr. Callan's office?—A. No, sir; not all the time. Mr. Ryan wanted to take his oath on each separate bond. There was a gentleman saw me, and he asked me to go and take a drink with him down to the Metropolitan Hotel, and I went and took a drink with him, and was gone, I guess, about three-quarters of an hour. When I got back they were all complete. I perhaps was gone an hour, and left Ryan there till I came back.

Q. Where was Mr. Reynolds at this time?—A. That I do not know, sir.

Q. Did you see Mr. Reynolds at all on that day?—A. No, sir; I did not.

Q. And you say that you took these bonds there (to Mr. Callan's) and took them away?—A. I took them away; yes, sir.

Q. And that you did not see Mr. Reynolds on that occasion?—A. No, sir.

Q. Nor on that day?—A. Nor on that day, sir; Tuesday I did not see him, and I told you distinctly I did not see him sign them, either. I did not see him take the oath or sign them.

Q. Where were those bonds kept, from the time you wrote them out and you and Ryan signed them till you filed them with the Department, or gave them to Mr. Zevely to put into the Department?—A. I let Callan have charge of them some time on Monday.

Q. Did Mr. Callan tell you when you returned that Mr. Reynolds had been there and signed those bonds?—A. Those two witnesses, because I had Clark to witness my signature, completed it all up.

Q. He told you Mr. Reynolds had been there and signed them on that day?—A. It was either on Saturday or Monday, I cannot tell which.

Q. That Reynolds had been to his office?—A. He did not state that he had been to his office, but that he had signed them and witnessed them.

Q. Who; Mr. Callan?—A. Mr. Callan; yes.

Q. When did you first take them to Callan's office?—A. I took them when they were all complete, because Callan had witnessed some of these here before they went down to the office.

Q. At what place?—A. I think it was up in my room, if I am not mistaken.

Q. What, did Mr. Callan visit your room?—A. Yes, he was up in my room.

Q. When did he visit your room?—A. He was up in my room on Monday, I think.

Q. Then he was there before you executed the bonds on Tuesday?—A. O, yes, because he witnessed them.

Q. Now you heard Mr. Callan's testimony here; was Mr. Callan in the office when you went there on Tuesday?—A. Yes, sir.

Q. You then presented the bonds to him?—A. Yes, sir.

Q. Had you been elsewhere, to see other notaries?—A. No, sir; I do not think I did; I am almost positive.

Q. Did you hear Mr. Callan's testimony here to-night?—A. Yes, a portion of it; I did not pay attention to all of it.

Q. Did you not hear Mr. Callan swear to-night that when he came to his office you and a number of other parties were there in his office waiting, with these bonds?—A. Yes, I heard him say that.

Q. And that that was the first information or knowledge he had of the bonds, and that you had been to look for other notaries?—A. There I saw he was mistaken, be-

cause he had signed some of them as a witness with this other party, and he would recollect it; and I was so afraid that he would make a mistake and swear to things that were not so, because W. T. Clark's name is over his.

Q. Why were you fearful that he would swear to things that were not so?—A. Because sometimes a man will forget, and sometimes the law kills a man—sometimes.

By Mr. MILLER :

Q. Do you know whether Mr. Reynolds has acquaintances in this city besides yourself?—A. Yes, he has.

Q. Has he ever lived here?—A. No, sir.

Q. Has he been here frequently?—A. No, sir.

20. Q. Do you know of his being here, except at this time?—A. That is all.

Q. Was Mr. Atkins at Callan's office?—A. No, sir.

Q. Mr. Callan thought that you introduced Reynolds to him, but you say you were not there with him. Who do you suppose introduced him?—A. That I do not know.

Q. You do not know of any acquaintances that he had?—A. No, sir.

By Mr. LUTTRELL :

Q. Isn't this man Atkins a contractor or bidder in some way?—A. No, sir.

Q. Has he never allowed his name to be used to your knowledge?—A. Not that I know of; no, sir.

Q. Either as bondsman or bidder?—A. No, sir; not that I know of.

Q. Did he ever do any other writing for you except that?—A. Who?

Q. Mr. Atkins.—A. Mr. Atkins never did any writing for me.

Q. Didn't I understand you a while ago to say that Mr. Atkins wrote to Mr. Reynolds to come on here?—A. O, that, yes; he never did anything but that for me.

21. Q. Why did you call on him in this instance?—A. Because I was acquainted with him.

Q. Are you in the habit of calling on parties to write letters to your brother-in-law in this way?—A. Yes, different parties.

Q. Can you name any gentleman in this city that has written to your brother-in-law for you?—A. No, sir; not to him.

By the CHAIRMAN :

22. Q. Did Atkins know your brother-in-law?—A. No, sir; he did not at the time.

By Mr. MILLER :

Q. What is Atkins's full name?—A. I do not know, sir.

Q. Mr. Atkins lives at what number?—A. 716 Thirteenth street.

Q. Keeping a boarding-house there?—A. Yes, sir.

By Mr. LUTTRELL :

Q. How much money did you pay Mr. Callan for his services?—A. I think I gave him twenty-five cents apiece for those; I do not know whether I did or not; perhaps more. I think about twenty five cents apiece.

Q. How long have you known Mr. Callan?—A. I have known Mr. Callan since last June, the 10th of June; from the 10th to the 20th of June.

Q. How came Mr. Callan to swear to night that you were all there waiting, some four of you, when he came into his office?—A. That I do not know, sir.

By Mr. CANNON :

Q. Who filled up these bonds?—A. Some of them are filled up by myself and some by Mr. Van Vleck.

By Mr. LUTTRELL :

Q. Who is Mr. Van Vleck?—A. A man who used to be connected with the Treasury Department.

By Mr. CANNON :

23. Q. Who wrote the name "John F. Reynolds" in number 16104?—A. That I do not know; I think, perhaps, Reynolds wrote that in.

Q. Do you know John F. Reynolds's handwriting?—A. No, sir; not positively.

Q. Did you ever see him write?—A. No, sir.

Q. Then you do not know whether he signed that or not?—A. No, sir; as I stated, I do not know.

Q. Did Reynolds ever tell you that he signed it?—A. No, sir.

Q. Did you ever have any conversation with him about signing it?—A. Yes, sir.

Q. This is a different handwriting, isn't it? "Lake City, Blunt Ferry?"—A. Yes, sir.

Q. Whose handwriting is that?—A. Mr. Van Vleck's handwriting.

Q. What is his full name?—A. I think it is James Van Vleck.

Q. In whose handwriting is that "two thousand?"—A. That is my handwriting.

Q. In whose handwriting is the "Febr. 1st?"—A. I don't know.

24. Q. That is in the same?—A. Yes; that looks like Reynolds's writing.

Q. In whose handwriting is that "three hundred?"—A. I cannot positively say; I think perhaps Van Vleck's.

Q. Not yours?—A. No, sir.

Q. In whose handwriting are the names of "Albert G. Ryan" and "W. D. Kittle?"—A. I think likely it is mine; no, sir; that is not mine. I wrote that myself there.

Q. "Albert G. Ryan" is in your handwriting?—A. Yes.

Q. Is not "W. D. Kittle" written in there in the same handwriting as the words "John F. Reynolds"?—A. Yes, sir.

Q. Where his name is signed as a signature and where it is filled in into the bond?—A. Yes, sir.

Q. "William D. Kittle" there in the guarantee is in the same handwriting?—A. The same handwriting, yes; I will admit that. They all look just alike to me.

Q. State whether this was signed by John F. Reynolds, or, if not, then who signed it?—A. No, sir; I told you before that I signed that before "John F. Reynolds" was put on there.

Q. Was Ryan's name there?—A. Yes; you can see that by the ink covering the most of it.

Q. When was John F. Reynolds's name signed there and filled in here?—A. That I cannot tell.

Q. You do not know the exact time; were you not there?—A. No, sir; I was not there.

Q. Was it done before Monday or Tuesday?—A. I cannot swear positively.

Q. When did you first notice that?—A. I never noticed it until you showed it to me.

Q. Will you now answer that you did not look at it at all before you handed it into the Department?—A. I may have looked at it. There is a mistake right there now; it ought to have been filled out and was not.

Q. I understand you to swear that you never looked at that bid or any others to see whether Reynolds's name was there or not?—A. No, sir; I did not swear to that.

Q. What do you swear to?—A. I swear that I looked them over to see that they were all correct.

Q. Did you see Reynolds's name there?—A. Yes, sir.

Q. When was the first time you looked for Reynolds's name there and saw it?—A. That was the day I took them up to Judge Edmunds's room.

Q. What day was that?—A. On Tuesday.

Q. Was that the same day that you went to this notary public's office?—A. Yes, sir.

Q. Whereabouts were you when you first looked at it and saw that it was all right—at the notary's office?—A. I think, possibly, it was at the notary's office; I think, possibly, up at my room; I could not say which.

Q. On the morning of that day, Reynolds's name was not signed to this, was it?—A. O, yes, indeed.

Q. The morning of that day?—A. The morning of the day that I went to the notary public's it was all filled out.

Q. Then it was signed before you went to the notary public's?—A. Why, certainly.

Q. Was it signed on Monday?—A. That I cannot tell.

Q. Where were these bonds on Monday?—A. I had those bonds at my room on Monday, from about 10 o'clock until about 12 o'clock, when Mr. Callan came there with them.

Q. Was Monday the day when Mr. Callan signed them?—A. As a witness there; that was Monday that he signed here.

Q. O, then it was signed on two different days?—A. Yes, sir.

Q. You swear that Mr. Callan signed those on two different days?—A. Yes, sir; he did.

Q. Once at your room and the other time at his office?—A. Yes, sir.

Q. At that time Reynolds's name was to this?—A. Yes, sir; he witnessed that.

26. Q. Do you swear that Reynolds's name was there at the time he witnessed these?—A. Yes, sir.

Q. That was on Monday?—A. Yes, sir.

Q. When had you next before that seen the bonds?—A. I think it was on Friday or Saturday.

Q. Was Reynolds's name signed to it when you saw it on Saturday?—A. I am not positive.

Q. Was it signed to it when you saw it on Friday?—A. No, sir; I am not positive about that, either.

27. Q. Did you see Reynolds and talk with him when he was in the city?—A. Yes, sir.

28. Q. Where did you see him?—A. I saw him at 716 Thirteenth street.

29. Q. What day did you see him?—A. I cannot tell what day it was, really.

30. Q. Now, was Reynolds here for the purpose of entering into this contract?—A. Yes, sir; he is not a myth.

Q. Yet you do not know whether that is his signature or not?—A. I could not swear to it.

Q. And never talked with him about it?—A. No, sir.

Q. Not one word of conversation?—A. No, sir.

Q. Whom did you tell to talk to him about it?—A. Ryan.

Q. Ryan, then, was the go-between?—A. Not a go-between. I told him to get Reynolds to sign it.

Q. How did you get Reynolds to sign it?—A. That is for Mr. Callan to state. He took charge of it.

31. Q. You are the party in interest here, and I ask you who procured Reynolds to sign this bond?—A. I presume I did.

Q. You say you never talked to him about it?—A. I admit that parties sent for him to come here and sign them. I do not know whether he signed them or not.

32. Q. You say you never talked to Reynolds about it?—A. No, sir; not then—not signing those bids.

Q. Whom did you get to talk to Reynolds about it?—A. I think it was Mr. Callan; I am not certain.

Q. Then Mr. Callan was your agent to see Reynolds?—A. Of that I am not positive. I told him to see the contract when he put his name down there—to witness it.

Q. How did Reynolds find out where Callan's office was?—A. That I do not know, sir.

Q. You did not tell him?—A. No, sir.

Q. Did you tell anybody to tell him?—A. No, sir.

Q. How did you suppose he was going to get up there?—A. That I do not know, sir. He had to attend to his business that way.

Q. You swore that you had no idea?—A. No, sir; I did not.

Q. You did not know anything about how he was going to get there?—A. No, sir.

Q. Reynolds was a stranger in the city, was he not?—A. Yes, sir.

Q. Never here before?—A. No, sir.

Q. You had Atkins write him to come here for the purpose of entering into this contract?—A. Yes, sir.

Q. And you went to Callan's office and supposed he had just wandered into that office somehow or other, you did not know how?—A. I do not know that Reynolds was ever in Callan's office.

Q. Were you ever down in Florida?—A. No, sir.

Q. Were you never over these routes that you bid on?—A. No, sir.

34. Q. How many routes did you bid on in Florida?—A. I bid on every route with the exception of about 69 or 71.

Q. Had you any stock down there?—A. No, sir.

Q. Had you sent an agent down there?—A. No, sir.

Q. Did you know what the service was worth down there?—A. Yes, sir.

Q. How did you know?—A. Because I understood the business tolerably well.

Q. How could you understand the business, never having been to Florida, and not knowing the routes, and never having sent an agent there? How did you understand?

—A. Because any old contractor can tell within \$25 what any route will cost him.

Q. You can tell without having made inquiries what it is worth?—A. Yes, sir.

Q. You tell pretty nearly on the same principle by which you could tell how Reynolds was going to get to the notary's office, do you not?—A. No, sir; I figure and make an estimate.

35. Q. How much are you worth, Mr. Kittle?—A. Well, I will be hanged if I do know what I am worth.

36. Q. Are you worth anything?—A. Well, yes.

37. Q. If your debts were paid are you worth anything?—A. I do not think I would be worth a cent.

38. Q. Then you really are not solvent, in fact?—A. I do not think I am—like a good many others in the same way.

Q. When you made affidavit in the aggregate upon these bonds that you were worth some \$20,000 or \$25,000, it was a mistake, was it?—A. No, sir.

Q. O, you have lost the money since you made these affidavits, have you?—A. Not much.

39. Q. Will you be kind enough to explain. You say it was not a mistake, and still you say you are not solvent?—A. Well, I suppose I am in partnership with my wife.

40. Q. Your wife has the property?—A. I hope she has.

Q. Just read that and see if it says anything about your wife's property?—A. Anybody can see with plain eyes that it does not.

Q. Whereabouts in Michigan did you say Reynolds lives—Kalamazoo you stated?—A. Yes, sir.

Q. How long has he lived there?—A. I cannot tell how long he has lived there; since he was born about.

41. Q. How old a man is he?—A. I think he is about 18 or 20 years old.
 Q. Then he is under age?—A. I do not know about that.
 42. Q. He is not over 20 you say?—A. I do not think he is. No, sir.
 43. Q. What is his business?—A. Not anything.
 Q. Who paid his expenses down here?—A. I don't know.
 Q. Are you "out" any money?—A. No, sir.
 Q. You don't know who is?—A. No, sir.
 Q. He is living with his parents at Kalamazoo?—A. I don't know.
 Q. Has he any parents out there?—A. Yes, sir.
 Q. Is it not true that he never was in Washington, and did not sign these bonds at all?—A. That I could not say, sir.
 Q. Do not you know that in point of fact you set up this man of straw to bid—that he was not a man in substance?—A. He is not a straw.
 Q. But you do not know that he ever signed the bonds?—A. I don't know that.
 44. Q. Where did he stop when he was in the city?—A. At 716 Thirteenth street.
 Q. Did you see him there?—A. No, sir.
 Q. How did it happen that you went to Atkins, a perfect stranger, and got him to write to Reynolds, a perfect stranger, to come here?—A. He is not a stranger to me. Because I did not want the Department to know that I had anything to do with it.
 Q. Why not?—A. Well, they take delight in fighting me every time they get a chance.
 45. Q. Had you the means to carry out all these contracts?—A. Yes, sir.
 46. Q. You bid in good faith, did you?—A. Yes, sir; I put that in in good faith. What is more, the stock will be on and be run.
 47. Q. How do you propose to run? That is what I want to know.—A. I try to sub some, and those that I cannot sub I put the stock on just the same as the other contractors do. If I can sub her out and let her out to a man so that I can make \$200 without putting the stock on, I will do so. Some men down there run a route a great deal cheaper than a contractor can himself. We have a perfect right to do that.
 Q. These bids are all pretty low, are they not?—A. No, sir; I will show you right on this book how low they run.
 Q. Then they are high; not low?—A. No, sir; they are such that you can make a living at it.

By Mr. AINSWORTH :

Q. What book is that you refer to—the list given you by Mr. Tyner?—A. Yes, sir. The route here was run for \$400. It was had for one year, and it was bid \$300 for four years. Then there are routes where three routes come together, which may be run by one man. They are all lower. The three routes will be taken in together, because the schedules are such that one man can run them, and that takes one man's time altogether. He does not lose any time, and can do it lower.

By Mr. CANNON :

- Q. Suppose you go to work and "sub" the routes down there, do you pay in advance?—A. No, sir.
 Q. You pay at the end of the quarter?—A. Pay at the end of the quarter, when they get their certificates.
 48. Q. Does the subcontractor draw the pay, or do you?—A. I draw the pay.
 Q. Suppose you did not pay him, he would be out of pocket, would he not?—A. Yes, sir.

By Mr. LUTTRELL :

49. Q. When did you first meet this Mr. Reynolds, your brother-in-law, in Washington?—A. I cannot tell exactly what day.
 Q. Did he ask you why you sent for him?—A. No, sir.
 Q. He asked you no questions about it?—A. No, sir.
 50. Q. You never had any conversations with him?—A. Not in reference to these bids. No, sir.
 51. Q. Did he know why he came?—A. I presume he did.
 Q. Who told him?—A. That I cannot tell.
 Q. Did you tell Mr. Atkins to tell him what you wanted of him?—A. No, sir.
 Q. Did you tell any other person what you wanted of him?—A. No, sir.
 Q. Do you mean to swear to-night that Mr. Atkins wrote to him to come down here, and that he went and signed these bonds without your asking him to do so, or without any explanation whatever?—A. I did not say that he ever did sign these bonds. I never saw him sign them.
 52. Q. When did he leave here?—A. He left when I went to New York. I have not seen him since.
 Q. When was that?—A. I left for New York on Tuesday.
 Q. Did you bid him good-by?—A. No, sir.
 Q. He made no explanation to you nor you to him?—A. No, sir.

Q. Did you tell Mr. Callan to go and get him to sign them?—A. That I could not be positive of. Mr. Callan told me that he had signed them.

Q. Did you ever tell anybody to go and get Reynolds to sign these bonds?—A. No, sir.

53. Q. Did you ever tell any one to acquaint Reynolds with the contents of these bonds, and your object in sending for him to come here?—A. Of that I am not positive. He came here for that purpose, of course, but I am not positive.

Q. How did he get the information?—A. From other parties I presume.

Q. What other parties?—A. This Mr. Callan.

Q. How did Mr. Callan know anything about it if you did not tell him?—A. O, I told Callan.

Q. When did you tell Callan?—A. Callan must have known it about Saturday or Monday, I don't know which.

Q. Where did you meet Callan on Saturday or Monday to talk to him?—A. At Willard's Hotel.

Q. At what hour?—A. I could not be positive.

Q. Who was present?—A. I think there was Barney, McKenna, Mr. Ryan; they were all up there. Ryan was up there.

Q. And you told him to go and see Reynolds and acquaint him with the facts?—A. I told him to finish out the bids and have them ready so that I could put them into the Department.

Q. Asked him to go and see Reynolds?—A. Yes, sir.

Q. He agreed to do so?—A. Yes, sir. He witnessed them, and you can see where he witnessed them.

(Adjourned.)

WASHINGTON, *March 10, 1876.*

W. D. KITTLE recalled.

The witness stated that he had read over the foregoing testimony, and desired to have the following answers substituted for the answers recorded:

To question marked 1: "I did not see him, and did not know that he was here."

To question marked 2: "I did not see him sign them."

To question marked 3: "I had no conversation in regard to them."

To question marked 4: "I do not know his responsibility."

To question marked 5: "I had no conversation whether I would have any share in the interest with him."

To question marked 6: "I had no conversation on that subject."

To question marked 7: "I did not use his name; nothing was said to Reynolds in regard to using his name."

To question marked 8: "It was about ten days before the 1st of February."

To question marked 9: "He lived in Michigan, I think, but I am not positive."

To question marked 10: "It was about ten days before the first day of February."

To question marked 11: "I cannot say what date."

To question marked 12: "Mr. Atkins told me that he had arrived there."

To question marked 13, add to the answer: "The signature was on."

To question marked 14: "I did not see Reynolds, nor at Atkins's."

To question marked 15: "I do not know when he left."

To question marked 16: "No, sir."

To question marked 17: "Not that I know of."

To question marked 18: "I signed them before Reynolds's name was on."

To question marked 19: "I cannot tell the exact date when they were signed."

To question marked 20: "I do not know."

To question marked 21: "I did not call on him at the house."

To question marked 22: "I do not think he did."

To question marked 23: "I do not know."

To question marked 24: "That is the same as the signature on the bid."

To question marked 26: "I am not positive."

To question marked 27: "No, sir."

To question marked 28: "I did not see him on any day."

To question marked 29: "I did not see him."

To question marked 30: "That I do not know, but he is not a myth."

To question marked 31: "I did not."

To question marked 32: "No, sir; I did not."

To question marked 34: "I did not bid on any route."

To question marked 35: "I am worth about \$15,000 to \$18,000."

To question marked 36: "Yes, sir."

To question marked 37: "Yes, sir."

To question marked 38: "Yes, sir; I am solvent."

To question marked 39: "In making an aggregate of the whole amount of bids I am not worth the amount that I am on bonds for."

To question marked 40: "She holds some of the property in her name."

To question marked 41: "I cannot tell how old he is."

To question marked 42: "Of that I am not positive."

To question marked 43: "I am not positive."

To question marked 44: "I was informed that he stopped at 716 Thirteenth street."

To question marked 45: "Yes, sir; as bondsman."

To question marked 46: "I went on the bond in good faith."

To question marked 47: "The words 'if I was a contractor' to be added to the end of the answer."

To question marked 48: "The contractors do."

To question marked 49: "I did not meet him."

To question marked 50: "No, sir."

To question marked 51: "No, sir."

To question marked 52: "I do not know."

To question marked 53: "No, sir."

By Mr. CANNON:

Q. In correcting your evidence, radically to many of the questions, as you do, do you aim to say that the stenographer misreported you in what you said in your examination heretofore, or that, after reading over the evidence, you desire to give different answers from what you did when you were examined before by the committee?—A. No, sir; I want to tell the exact truth.

Q. I insist on an answer to the question.

The WITNESS. Is not that a correct answer?

Mr. CANNON. No, sir.

(The question was read to the witness.)

A. I say I do not doubt the stenographer's report.

By Mr. SLEMONS:

Q. Do you desire to change it?—A. Yes, sir; to change it.

Q. Do you mean to say that the stenographer's report is correct, and that you want to change the answers?—A. I cannot say. I made some statements; they are not correct, because they conflicted with both ends of the report. I presume the stenographer took down exactly what I said.

Q. The question calls for a categorical answer. In the first part of it, Mr. Cannon desires to know whether you think the report is correct, or whether you have made the changes absolutely?—A. What I am giving now is correct.

Q. Did you state what the stenographer says you did? Answer yes or no, whether you thought he made a correct report of what you said.—A. I think he did.

Q. And you wish to change the answers as you stated then?—A. Yes, sir.

By Mr. CANNON:

Q. Do you state now that you never saw or had any communication with John F. Reynolds in reference to these bids?—A. Yes, sir.

Q. Do you further state that you had no communication through others with him?—

A. Only what I told Mr. Callan, that Mr. Reynolds would be down there at his office.

Q. Then you have no idea upon whose suggestion or motion, or by what means, Mr. Reynolds came to Washington, if he did come, and signed those bids?—A. No, sir.

Q. Nor had you any information that he would sign them?—A. No, sir.

Q. Still you went on the bonds?—A. I went on the bonds before he signed them.

Q. Without having any idea or intimation that he would sign them?—A. Yes, sir.

Q. Do you aim to state that you had no interest, directly or indirectly, in these proposals, except as you have stated?—A. Yes, sir; because I had no conversation with Reynolds on them.

Q. Then you aim to state that you signed a bond, guaranteeing the performance, upon the part of Mr. Reynolds, of his proposals, without even knowing that Mr. Reynolds intended to make any proposals?—A. I signed it in blank, and I went and took my oath before Mr. Callan when Reynolds's name was on it.

Q. And yet you did not know that Mr. Reynolds was in the city, or ever intended to make any proposals?—A. No, sir.

Q. What reason can you assign to the committee why you did sign such bonds without knowing they were ever to be filled up?—A. Because that has been done before. I have done it before.

Q. What reasons have you to state to the committee, why you signed the bond, having no belief that the proposal would be made by anybody?—A. I cannot give any reason, only that I put my name on. I expected somebody was going to sign, but I did not know who was going to sign them.

Q. Why did you expect that somebody would sign the proposal? Did you make any arrangement for anybody to sign it?—A. I did with one man; I went to see one man.

Q. One man on the proposal?—A. One man on the proposal; yes, sir.

Q. Who?—A. A man by the name of Mr. Gantt. I asked him.

Q. You did not expect that Gantt would sign this proposal, did you?—A. At one time I did.

Q. At the time you took the bonds to the notary?—No, sir.

Q. You did not expect that Reynolds would either, did you?—A. No, sir.

Q. You did not expect that anybody would, did you?—A. Yes, sir; I expected somebody would, but I did not know who, at the time. The bonds were taken down to Mr. Callan's office.

Q. Did you expect to make any arrangement with somebody to go in and sign the proposal?—A. Yes, sir.

Q. But never did, in fact, make any arrangement?—A. No, sir.

Q. And, so far as you know, after you had signed the bonds, and left the same in blank as to the proposal with the notary, Reynolds strayed in there without any knowledge or suggestion of yours, and signed his name?—A. Yes, sir; I do not want to make a statement—

Q. What does your property consist of?—A. Mine consists of bonds.

Q. What kind of bonds?—A. 6.20's gold-bearing bonds.

Q. Or do you mean 5.20's?—A. I mean 5.20's.

Q. What amount of bonds have you?—A. I have about \$8,000 worth.

Q. Where are they?—A. I have some at home, and there are some in the National Deposit Company, deposited in my wife's name.

Q. Are they your wife's bonds, or yours?—A. They are hers, I expect. They are put down as hers.

Q. Put down as hers?—A. The majority of them.

Q. What have you yourself?—A. About \$4,000 worth.

Q. Where are they?—A. I have them at home.

Q. Whereabouts; in this city?—A. Yes, sir.

Q. How long have you had them?—A. I have had them three or four years altogether.

Q. Not deposited anywhere for safe-keeping, are they?—A. No, sir.

Q. Do they belong to you or to your wife?—A. They belong to me.

Q. What else have you?—A. I own stock down in Texas.

Q. What kind of stock?—A. Horses.

Q. How many?—A. I guess about forty head.

Q. Yours or your wife's?—A. Mine.

Q. Whereabouts in Texas are they?—A. Some of them are in Live Oak County, and some in Sebastian and Bexar.

Q. What is the value of your horses?—A. They are worth about \$40 a head, if I was going to sell them at a lump.

Q. Sixteen hundred dollars for the lot?—A. I would not sell them for less than \$75 for some and \$60 for others, but in a lump sale I do not suppose I could get over \$40 or \$45—from \$2,000 to \$3,000 for the whole lot.

Q. What else have you?—A. I have some money—some greenbacks.

Q. What amount?—A. I guess I have about \$2,500 or \$2,800.

Q. Where is that?—A. I have it here.

Q. Where?—A. Home.

Q. On deposit?—A. No, sir; at home.

Q. How long have you had that?—A. I have had it three or four years.

Q. You never deposited that for safe-keeping?—A. Yes, sir; I have.

Q. But it is at home at this time?—A. Yes, sir.

Q. What else have you?—A. I guess that is about all.

Q. How much do you owe?—A. I do not know; I cannot tell how much I do owe.

Q. About how much?—A. I presume I owe about \$1,500.

Q. Not more than that?—A. From \$1,500 to \$2,000.

Q. Not more than that?—A. No, sir, not that I know of.

Q. There are no bills or claims against you for more than that?—A. No, sir.

By Mr. MILLER:

Q. You say now that you never saw Reynolds in the city?—A. Yes, sir.

Q. And you had no information he was in the city?—A. No, sir.

By Mr. SLEMONS:

Q. Did you ever see Reynolds in your life?—A. Yes, sir; he was a man about 5 feet 10 in height, and weighs about 140 pounds. He is a larger man than I am.

Q. He is a brother-in-law of yours?—A. Yes, sir.

WASHINGTON, D. C., *March 7, 1876.*

JAMES N. TYNER, being duly sworn, was examined as follows :

By Mr. AINSWORTH :

Question. What is your position?—Answer. Second Assistant Postmaster-General; and, as such, had charge of the contract system of the Post-Office Department.

Q. Have you with you any contracts or bids—proposals, which were filed by one J. F. Reynolds?—A. Yes, sir; forty in number.

Q. Are those the ones that have already been produced here before the committee?—A. They are. These are all proposals for conveying the mails of the United States in the State of Florida, under the advertisement of the Postmaster-General, dated October 1, 1875.

Q. State when you first knew anything in regard to any of those bids.—A. The first knowledge I had of the real existence of these bids was perhaps some time during last week. I will say, however, that the advertisement for mail proposals in the State of Florida required that all proposals should be in the Post-Office Department by 3 o'clock on the second day of February, 1876, and the forty proposals to which I have made reference were evidently in the Department at that time.

Q. When is the stamp affixed which is upon the bids?—A. Immediately on the opening of them. If the committee desire I will state very briefly the process.

Q. I wish you would.—A. After the time shall have expired for receiving proposals, the bids of the several States are assorted, and placed by themselves; in other words, they come into the Department, if in proper form—although a great many come in irregularly—marked, proposals in a certain State, say in the State of Florida; and all the bids for the State of Florida are put together, as nearly as possible, in the Post-Office Department. And therefore bids of the State of Florida, taking that as an illustration, will be all opened by themselves. As fast as they are opened, they are laid down in regular form upon a table, and some sort of identification is given to them. The plan of identification differs at almost every opening of bids. In this particular case, the plan of identification was to put upon the bids the impress of two stamps, one indicating the date at which they were opened at the Post-Office Department, and the other a stamp made by the Bureau of Engraving and Printing of the Treasury Department, by means of a lathe, and in such a way that it is believed it could not be counterfeited; and this identification is made immediately upon the opening of a bid.

Q. When did the time expire for the filing of bids for these contracts?—A. I state from recollection, at three o'clock on the second day of February, 1876.

Q. Had you, previous to the filing of these bids, any knowledge that bids were to be filed either by Mr. Kittle, or by any of his friends, for any of these contracts?—A. Mr. Kittle called on me to inquire whether or not proposals in his own name would be recognized and considered by the Post-Office Department. That was some time prior to the second day of February last; and I would suppose, from recollection, maybe from one week to two weeks before that time. My response to him was that his bids would not be considered. I said to him, however, that I would consult the Postmaster-General upon that point, and perhaps the Assistant Attorney-General for the Post-Office Department. I did consult the Postmaster-General, and think I also had a consultation with the Assistant Attorney-General for the Department. After that consultation, and in accordance with the understanding obtained in that consultation, I afterward notified Mr. Kittle that his proposals would not be considered in the Department, because the records of the Department showed that he had previously been a failing contractor, and the law, I said to him, authorized the Postmaster-General to declare him ineligible for further contracting with the Department; and that, in accordance with that law, the Postmaster-General would decline to receive his bids.

Q. Did you, in any of these conversations, say to him that it would be necessary for the bids to be in the name of some other person?—A. I do not recollect that I did. And I now state, as the best of my recollection, that I did not.

Q. But you are not positive that you did not?—A. No, sir; I am not positive. In explanation of that—if you desire it—I will say that that is a question which had been frequently discussed before in the Post-Office Department, particularly by the Assistant Attorney-General, and of which discussion Mr. Kittle had full knowledge. It was a question which came up in connection with some bids in which he was interested in a former general letting—in the general letting of a year ago—wherein one Patrick Laughlin was a bidder, and the lowest bidder, on a great many mail-routes in the State of Texas, Mr. Kittle himself being an interested party in those mail-routes. The Assistant Attorney-General having the matter called to his attention, then decided that Patrick Laughlin was the only party in law whom the Post-Office Department could consider. Mr. Kittle knew that fact.

Q. Since you have mentioned the Laughlin contract, it was the understanding between you and Mr. Kittle, was it not, that Mr. Laughlin would have the contracts for which he had bid, in or upon the routes where he was the lowest bidder?—A. There was no such understanding between Mr. Kittle and me at all. The Laughlin transac-

tion occurred over a year ago, and was pending in the Post-Office Department when I went into it last March.

Q. And you did not express to Mr. Kittle the idea that these contracts would be given to Mr. Laughlin?—A. One year ago?

Q. Yes.—A. The matter, as I said to you, was referred to the law-officer of the Department, and by him it was decided that Patrick Laughlin was entitled to his contracts under his proposals,

Q. That his were not affected?—A. Yes, sir; and that of course was communicated to him.

Q. Did he receive them?—A. No, sir; only because he failed to execute contracts in accordance with his proposals.

By the CHAIRMAN:

Q. His bids were received?—A. His bids were received, and the awards of contracts had been made upon them, and notification had been given to Patrick Laughlin of the award of contracts, before any evidence of fraud on the part of Mr. Kittle or anybody else was discovered. After the evidence of fraud on the part of Mr. Kittle was discovered in the Department, or, at least, of an attempt at fraud, the question came up as to how far the fraud or probable fraud of Mr. Kittle had underrated the bids of Patrick Laughlin, and that question was referred to the law-officer and decided by him as I have just stated.

By Mr. AINSWORTH:

Q. Were there some other contracts of Laughlin and Race?—A. Yes, sir.

Q. How was it with those; were they decided in the same way?—A. Perhaps I had better correct my memory in regard to that. My recollection now is that the bids of Patrick Laughlin were thrown out and rejected, but it was the bids of Patrick Laughlin and George A. Race about which the opinion of the Attorney-General was sought. Patrick Laughlin did appear in the Department as a bidder upon a large number of routes, and he was the lowest bidder, too, but his bids bore the impress of a fraudulent stamp in the Department, indicating that, perhaps, they were in there out of time and improperly. But Patrick Laughlin and George A. Race were the joint bidders on several others, and the question came up as to how far the fraud of Laughlin would affect George A. Race. That was the question. The first answer I gave was erroneous, because it was from a faulty recollection.

Q. These are the ones, then, to whom the contract was given; the bid of Laughlin and Race was accepted, and they were notified?—A. Yes, sir; they had been notified before this fraud was discovered, understand; but after the notification and the discovery of a fraud with which Patrick Laughlin was connected, the question then came up as to how far it would affect the bids of Patrick Laughlin and George A. Race, and the Assistant Attorney-General for the Department decided that George A. Race, being, so far as the Department knew, an innocent party, could not be affected by the fraudulent proceedings of Patrick Laughlin; there was, therefore, no attempt to prevent the execution of contracts by Patrick Laughlin and George A. Race in accordance with their accepted proposals.

Q. But they failed to execute?—A. They failed to execute, and, therefore, they were not contractors with the Department.

Q. And to whom was it given, then?—A. To the next lowest bidder.

Q. Do you remember who it was?—A. I do not. There was quite a number of them, and it would be impossible for me to state from recollection.

Q. Have you any evidence that those proposals which you have produced here are not genuine proposals?—A. No evidence that they are not genuine proposals, but some evidence which raised a suspicion that they did not conform fully to the law. If the committee desire that, I will state it.

Mr. AINSWORTH. I do not suppose that what you may have heard would be competent testimony.

The WITNESS. I have no knowledge as a witness. As a witness I know nothing about the legality of these proposals.

Q. Will you state why you have brought these before us?—A. I brought the proposals—or at least the Postmaster-General did upon my request—before the committee because the Post-Office Department has no power to compel a witness to answer a question, and because I desired that this committee should determine whether or not such a man as John F. Reynolds had an existence, and whether he did sign these proposals, and whether or not he was in the city of Washington at the time they were signed, and any other fact in relation to John F. Reynolds that would throw light on that subject. I also did it with the consent of the Postmaster-General, in order that the committee might inquire whether or not one of the sureties, Albert G. Ryan, had properly signed the bond, and had been properly qualified before the notary public, who purports to have sworn him as to his responsibility. These are facts which the Post-Office Department could not ascertain, not having the power either to send for witnesses or to compel answers to questions.

By Mr. McMAHON :

Q. You were not satisfied with the certificate of Mr. Edmunds, then, that this bond was duly signed by John F. Reynolds, bidder on that particular matter?—A. And, without testifying to anything that I ought not to as a witness, I will say that I had some reasons to doubt the bond having been properly signed.

Q. Did you have any information from Mr. Ryan himself that he had not signed this bond?—A. I did not have information that he did not sign the bond.

Q. Was it as to the time that he had signed the bond, or what was it?—A. As to the time he signed the bond and as to the circumstances under which he signed it.

Q. What was his statement to you in regard to that matter?—A. The statement was that he signed the bond before the name of the bidder was signed to the bond, or before the name of his co-surety was upon the bond; that he signed the bond first under the impression that William D. Kittle was to be the bidder himself.

Q. Did he make any statement to you as to what representations he made in regard to his worth?—A. Yes, sir; his statement was that he was not responsible for the aggregate amount contained in his bond, but that he was responsible for the amount of either one of the bonds which, according to his recollection, did not exceed \$2,000.

Q. He gave it as his opinion, then, that he was worth \$2,000?—A. Yes, sir.

Q. That was his own estimate about the matter?—A. Yes, sir.

Q. Did he furnish any affidavit or statement to that effect?—A. He did not furnish an affidavit as to his responsibility.

Q. But he did as to those facts?—A. He did as to the facts connecting him with the bonds and the surrounding circumstances, which affidavit is here, and had better speak for itself.

Mr. LUTTRELL. I then ask for the reading of the affidavit in this connection.

Q. Do you know where that was made?—A. Yes, sir; it was made in the Post-Office Department.

Q. Who prepared it, do you know?—A. I dictated it to a stenographer first, after a talk with Mr. Ryan, and at his request; and after that was done, I handed it over to him, and he took it off and read it for some time, and made an erasure or two, and then signed it.

The witness then read the following affidavit:

DISTRICT OF COLUMBIA,

County of Washington, ss :

Personally appeared before me, a justice of the peace in bond for said county and District, Albert G. Ryan, who, being by me duly sworn according to law, deposes and says that on or about the 23th day of January 1876, he was solicited by one William D. Kittle to become security on the bonds of said Kittle in connection with the proposals of the said Kittle for carrying the mails of the United States on divers and sundry routes in the State of Florida; that in accordance with said solicitation, he did, on or about the date aforesaid, sign his name as security on sundry bonds in connection with proposals for carrying the mails on the following routes in the State of Florida:

Nos. 16102, 16104, 16105, 16106, 16107, 16113, 16118, 16119, 16120, 16121, 16122, 16124, 16128, 16129, 16132, 16133, 16135, 16139, 16140, 16141, 16142, 16144, 16146, 16149, 16151, 16153, 16156, 16159, 16161, 16162, 16163, 16164, 16165, 16166, 16167, 17169, 16175, 16176, and 16177.

He further deposes and says, that at the time he signed his name to said bonds, the amounts of the several bonds had been filled in, together with the date of February 1, 1876, although his name as security aforesaid was attached thereto two or three days prior to that date; that the next day thereafter he saw the said Kittle and notified him that he desired to erase his name from said bonds, alleging as a reason therefor that he, the said Kittle, had had trouble with the Post-Office Department, and that he, the affiant, did not wish to be mixed up with him in any way, whereupon the said Kittle had told him that he himself would not become a bidder, but that another and a good party would appear as a bidder on the various routes in the State of Florida, of which he has reason to believe the above-mentioned were a part, they being, however, only a part thereof. He further says that said Kittle took him to one James Nicholas Callan, purporting to be a notary public in and for the District and county aforesaid, and there introduced him, the affiant, as one of the securities upon the necessary bonds for mail-proposals. Affiant further says that he left said notary public without having been put under oath, or testifying under the solemnities of law regarding his own responsibility or to any matter whatever in connection with said proposals. He also further says that when he signed said bonds the name of the bidder was not inserted, nor was the name of W. D. Kittle, his cosecurity, thereon, and that until within the last two or three days he was not aware that John F. Reynolds was the bidder in connection with said bond. He further testifies that at the time his signature was attached to said bonds the proposals were entirely blank, except so far as

naming the amount of the bond and the date before mentioned, to wit, February 1, 1876.

Affiant further says that he has been informed by the authorities of the Post-Office Department that the said John F. Reynolds appears as the lowest bidder on all of the routes whose numbers are given above in the said State of Florida, and that he appears himself as surety upon the bond of said Reynolds and that the aggregate amounts named in said bonds are over twenty-two thousand dollars, (\$22,000,) whereas affiant now says that he is not probably worth, over and above all debts and liabilities, more than the sum of \$2,000.

Therefore, by reason of the facts above mentioned, especially the fact that they were not completed when he was induced to sign his name thereto, and that the oath as to his responsibility was not taken in accordance with the law, and that no forms of law, so far as he knows, were fully complied with, he asks that he may be released as security on said bonds, and that awards of contracts may not be made to the said John F. Reynolds thereon.

ALBERT G. RYAN.

Subscribed and sworn before me this 29th day of February, 1876.

[SEAL.]

JAMES LAWRENSON, J. P.

By Mr. McMAHON :

Q. You have stated all the reasons that induced you to bring this matter before the Department ?—A. All, I think. I think the affidavit itself shows the reasons. It also shows that the surety had made application there for a release, and asked that no awards might be made.

By Mr. AINSWORTH :

Q. At whose instance was this interview regarding this matter brought about—at yours or Mr. Ryan's ?—A. It was brought about at mine.

Q. Mr. Ryan did not come to you and complain ?—A. This is hearsay, it is true. He first talked with a clerk in my office by the name of Slater, who lives near him ; he had made some statements to Mr. Slater which induced Mr. Slater to communicate them to me, and that induced me, after my attention had been called to it, to seek an interview with Mr. Ryan himself to get at the facts ; up to which time he did not seem to know that John F. Reynolds was a bidder.

Q. Previous to the filing of these proposals, did you furnish to any person statements of the amounts at which these routes had been let at the previous letting, in order to enable parties to bid intelligently upon them ?—A. The Post-Office Department is in the habit, whenever any one calls, of giving them the amounts upon which the mails are carried on any route in the United States, or any number of routes. That is always done when the clerical force of the office will admit of it. In other words, the records being public records in that respect, they are never concealed from anybody who is desirous to find out the fact. And I think—to answer more definitely—that, if I remember right, I had the clerk in charge of the State of Florida give to Mr. Kittle, at his request, a statement of the amount then paid to the present contractors, and perhaps upon almost every route in the State of Florida ; a thing which happens very frequently in the Department. The committee will understand that, in the multitude of business one has to attend to in the place I occupy, I may make a mistake of recollection, but my recollection is that Mr. Kittle came to me and asked if I would give him a statement, or permit him to take a statement, of the amount of the contract-price now being paid on the various mail-routes in the State of Florida ; and my recollection is that I called upon Mr. Argue, who has charge of the State of Florida, and has control of the book, to take a printed advertisement, which gave the routes, and to make a pencil-memorandum of the amount, a thing which would be done for anybody who called at the Department, and is never refused, when the clerks have time to do it.

By the CHAIRMAN :

Q. At what time did that occur ?—A. That was some time before the period expired for bidding on these routes. The same sort of statement was furnished to many persons.

By Mr. AINSWORTH :

Q. That was made up by Mr. Argue, and was returned to you, was it not ?—A. That is my impression.

Q. And by you given to Mr. Kittle ?—A. Yes, sir.

Q. There at the Department ?—A. At the Department ; yes, sir.

Q. State whether it was not too late when you received the decision that Race was not affected by the frauds of the others, for those contracts to be completed and filed in the time in which the law required them to be filed ?—A. Yes, sir ; that is my recollection.

Q. State whether some blank contracts were not made out and entered upon the

books as having been filed, and then delivered to Mr. Kittle, upon the ground that there were informalities in them, in order that they might be signed and take their place among the records of your Department.—A. I do not recollect the circumstance to which you refer. The contracts were properly made out to be delivered, not to Mr. Kittle, but to Patrick Laughlin and George A. Race, at their places of residence.

Q. By whom to be delivered?—A. To be sent by due course of mail to the bidders at their places of residence.

Q. Was not the entry made upon the books, which would show that they had been properly executed in time?—A. No, sir.

Q. So that they could be returned?—A. If so it was done by the contract-clerk without my knowledge, and, so far as I know, without the knowledge of the Postmaster-General, and was irregular.

Q. Are you now in possession of information to enable you to state whether it was not so done?—A. No, sir, I am not; and in order to make a correct statement about that it would be necessary that I should have the records before me.

Q. As I understand it, these were a portion of the contracts with which the Hinds and Kittle frauds were mixed—the Laughlin and Race contracts?—A. I said before, but will repeat the statement so that you shall not misunderstand me, that Patrick Laughlin was mixed up with the frauds in the Post-Office Department last spring; that the bids of Patrick Laughlin, or a number of them at least, bore the impress of a fraudulent stamp, confessed to be a fraudulent stamp by Mr. Kittle, who claimed to have had a hand in putting that impression upon the bids. The proposals of Patrick Laughlin were thrown out on that account, but Patrick Laughlin and George A. Race appeared as bidders on other routes, and the question, as I before said, came up and was referred to the Assistant Attorney-General of the Post-Office Department as to whether or not the bids of those two joint bidders should be thrown out because of the frauds of Patrick Laughlin. The Assistant Attorney-General decided that they could not be. As he took some time for the consideration of that question, and the making up of his opinion upon it, it ran beyond the period in which the notice could be given to Patrick Laughlin and George A. Race, and have contracts back in accordance with the time specified in the advertisement for proposals. And then, after referring that matter to the Assistant Attorney-General for the Department, he decided that, inasmuch as the delay was not the fault of George A. Race, it was but right that they should have an additional time to execute their contracts. That is the exact fact about it.

Q. I so understand it; but the question I asked you was, if the books were not made to show that those contracts were executed in proper time?—A. The time fixed in the advertisement for the execution and return of contracts was the 1st day of June, 1875. Now, I answer, that the books do not show that the contracts were executed and returned to the Department by the 1st day of June, 1875; or, if they do, that it was done by the clerk in charge, without my knowledge, and, so far as I know, without the knowledge of the Postmaster-General, and, if done at all, was irregular. That is the answer.

WASHINGTON, *March 8, 1876.*

EDWARD ATKINS sworn and examined.

By Mr. AINSWORTH:

Question. State your residence and occupation.—Answer. I am a gunsmith by trade. My residence is 716 Thirteenth street, in this city.

Q. How long have you resided there?—A. I have resided in that house since a year ago the 1st of February. I lived at 728 Thirteenth street three or four years.

Q. Do you know John F. Reynolds?—A. I knew a gentleman by that name, who stopped at my house. I cannot say that I am personally acquainted with him, any more than as a roomer.

Q. When did he stop there?—A. I think he came on the 28th of January, 1876.

Q. How long did he remain?—A. He remained ten days; he left on the 6th of February, and said that he would be back in a week or ten days.

Q. Describe him as nearly as you can.—A. He was a gentleman about the size of Mr. Cannon, I should judge; a young man, about 5 feet 8.

Q. Do you know Mr. W. D. Kittle?—A. Yes, sir.

Q. Did you, at Kittle's request, write a letter to Mr. Reynolds?—A. No, sir; he asked me to write to him, but I did not do it; that was some time about the middle of January.

Q. He asked you to write?—A. Yes, sir; he said that Mr. Reynolds was coming on, and that I might get him to stop in the house. I told that I had written so many letters that I had got tired of it, and that it was nonsense to write to any one abroad. I did not write any letter to him.

By Mr. CANNON :

Q. What do you mean by having "written so many letters?"—A. Well, I had written letters to different members; I wrote a letter to you to come and take rooms in my house, and I wrote to General Clark. I suppose I wrote letters to nearly every member of the House. I have written letters to General Tyner when he was a member.

Q. Do you mean also that you wrote letters for Kittle about contracts?—A. No, sir; I did not write about contracts—only in regard to the rooms—to rent my rooms to these parties.

Q. What did Kittle say to you at that time?—A. Nothing more than that he said that I could get a roomer—that there would be a gentleman on here that would take rooms in the house.

Q. Did he tell you where to direct your letter?—A. He did tell me, but I forget now; I did not intend to write anyhow, and did not pay attention.

Q. You did not write nor have it written?—A. No, sir; I did not.

Q. When did Reynolds come to your house?—A. He came on the 28th January.

Q. Who brought him there?—A. He came by himself. I think he said that Kittle had sent him there to get rooms.

Q. Did you see him and Kittle there together?—A. No, sir; I never did.

Q. You never saw them together in your life?—A. No, sir.

Q. What was Reynolds doing?—A. I could not tell you what his business was. He had a number of papers there. I thought it possible he was engaged with the mails in some way. Several gentlemen called to see him.

Q. He had some papers, you say?—A. Yes, sir; but I never overhauled anybody's papers in the house to know what their business was; but I judge that is what it was.

Q. Are you a mail-contractor?—A. No, sir.

Q. Are you a bidder for mail-routes?—A. No, sir.

Q. Have you ever bid upon mail-routes?—A. No, sir.

Q. Has your name ever been used for that purpose?—A. No, sir.

Q. Where did you get acquainted with Kittle?—A. He stopped at my house, I think in February, 1870, first.

Q. Have you known him ever since?—A. Yes, sir.

Q. He stopped at your house frequently?—A. He sometimes merely stops to see me. I think he stopped at my house the same time that Mr. Frank Morey, member of Congress from Louisiana, stopped there.

Q. Did Kittle ever offer you money or inducement?—A. No, sir; he never offered me a cent.

Q. Nor any inducement of any kind?—A. Not in the least.

Q. What was the color of Reynolds's hair?—A. I think it is light hair—about the color of mine; I won't be certain about that; I never paid any attention to it.

Q. You will not be sure about that?—A. No, sir; I would not.

Q. You think he was a young man twenty-one or twenty-two years old?—A. I should think so; a very nice man and dressed well.

Q. About what is his age?—A. I should judge that he was, say twenty-one or twenty-two years of age; possibly, twenty-three.

Q. Did you tell Mr. Ryan yesterday that you did not know Reynolds?—A. I did.

Q. Did you know him?—A. I knew him that far, that he had been stopping at my house. I might have told you, if I had met you in the street, that I did not know him; I suppose I knew him about as far as I knew General Tyner. I told a detective from the Department yesterday that I did not know him; I told him that he had stopped there. I did not see that he had any business to come to ask me about it.

Q. Ryan was not a detective.—A. No, sir.

Q. Did you explain to Ryan?—A. No, sir; he asked me if I knew Reynolds, and I told him no; I had been summoned to come before the committee, and I thought I would tell here.

Q. You told him what was not true, then, because you did know him?

The WITNESS. What I told Ryan?

Mr. CANNON. Yes.

A. I knew him by his stopping in the house for a few days.

By Mr. AINSWORTH :

Q. A detective from where asked you about him?—A. From the Post-Office Department.

Q. They sent a man to you yesterday?—A. Yesterday, after I left here; I was here until 4 o'clock.

Q. And then a detective from the Post-Office Department was sent to interview you?—A. Yes, sir.

Q. Do you know by whose direction he was sent?—A. No, sir; I do not. I did not know what he wanted, but I gave him no correct answer.

Q. That was after you had been subpoenaed here?—A. Yes, sir. I had left here.

Q. Did you know at that time that Mr. Tyner and Postmaster-General Jewell were

here before the committee?—A. No, sir; there was no one here while I was here but the clerk.

Q. Do you know by whom the detectives of the Post-Office Department are sent out?—A. No, sir.

Q. Are they not in charge or under the direction of the Postmaster-General?—A. I could not tell that; I do not know.

Q. At what time yesterday do you say this detective came to you?—A. About 5 o'clock.

Q. Who was he?—A. I could not tell his name. I did not ask his name.

Q. Did he say why he came?—A. He said that he wanted to get some information from me, and I did not feel so disposed to tell him.

By Mr. CANNON:

Q. Did you ever see this detective before?—A. No, sir; but I think I could point him out if he was in the building.

Q. You do not know his name?—A. I do not.

Q. Did you ever see him in the building?—A. I have seen the gentleman.

Q. Where?—A. I have seen him up round the post-office.

Q. You have seen him up around the Post-Office Department?—A. Yes, sir; I am there every day.

Q. When did you see him?—A. I could not say that.

Q. Who told you that this man was from the Post-Office Department?—A. He told me himself.

Q. Do you know whether he told you the truth?—A. I do not know whether he did or not. For that reason I gave him no definite answer or any good answers.

Q. You do not know whether he was a detective or not?—A. Only from what he said. He pulled out some papers and inquired about a man by the name of Reynolds.

Q. What papers did he pull out?—A. I do not know.

Q. What kind of looking papers were they?—A. They looked like something in the shape of that. [Producing a paper.]

Q. How do you know but what Kittle sent him there?—A. I only took his word for it, but I could find out whether he was there very soon.

WASHINGTON, D. C., March 8, 1876.

ALBERT G. RYAN sworn and examined.

By Mr. AINSWORTH:

Question. State your residence and occupation.—Answer. 402 First street, southeast, Washington City; I am not in any business at this time; my last occupation was Capitol policeman here in the building.

Q. Do you know W. D. Kittle?—A. Yes, sir.

Q. Do you know J. F. Reynolds?—A. No, sir.

Q. Have you ever seen him?—A. No, sir; not to my knowledge.

Q. Did you sign some proposals of his for mail-contracts?—A. Not for Reynolds; I signed some bonds in blanks; when I say blank I mean the date, and the amount was filled into the body of the bond, but there was no bidder's name in, nor no surety, nor no witness at the time I signed. At that time I supposed that W. D. Kittle was to be a bidder. I was afterward told by Mr. Kittle that the bid was put in, in another man's name, and he may have given me the name, but if he did I do not recollect it; I did not know the man, and I really did not know who the man was until I was told afterward.

Q. You signed them with the understanding that they were to be filled up?—A. Yes, sir; at the time I signed them I signed with the understanding that Kittle was to be a bidder, and that he was to furnish a good and sufficient surety to go on the bonds with me—one that I would be satisfied with.

Q. And subsequently you appeared before Mr. Callan, a notary public, and acknowledged them?—A. No, sir; I did not acknowledge them any further than this: on the following morning after I had signed them in blank I was introduced to Mr. Callan by Mr. Kittle, and I was told—

Q. Where were you introduced?—A. In Callan's office.

Q. You went to Callan's office?—A. Yes, sir; on Louisiana avenue, between Sixth and Seventh, just above Ruff's old bank.

Q. Go on and state what you stated there.—A. I was introduced to Callan by Kittle. At that time Callan told me that he had not filled up the bonds, and that upon consultation with his friends he had concluded not to become a bidder; but, to get the story straight, I want to say this: I became uneasy after having signed the bonds for Kittle. I did it with a good deal of reluctance and under protest any way; at the time he

called upon me I did not want to sign them, but he insisted, and pleaded that everything was all right and fair, and that he was anxious to get the bid in, and he told me that I could justify to them as well as not; that it was simply a matter of form; that he would be a sufficient bondsman on the bonds with me, enough to answer all liabilities. I said to him, "You know my financial condition, that I am not worth enough at all to justify to all these bonds collectively;" but individually I could justify to any one of them. He insisted that I should go on his bonds. I really did not want to do it. At the same time I allowed myself to be coaxed into it; that is the only thing I regret about it. I was influenced against my own better judgment, knowing him as I did; I knew he had had a good deal of trouble with the Post-Office Department. After I had left the hotel, going home and thinking about it, the more anxious I became to get rid of that. So I went down on the following morning, and said that I would have nothing more to do with it—that I wanted my name taken off the bonds. I met him at the Metropolitan Hotel, and there stated to him my determination about it. To make it stronger, I said, "The probability is that I will be an applicant for a clerkship in the Post-Office Department, and they knowing your standing there and the trouble you have had, it might damage my prospects very materially to have my name upon the same paper, or to have any connection with you in the world. For that reason I want to get rid of it." He then told me that, upon discussion and consultation with his friends, he had concluded not to become a bidder.

Q. Did he not say that Tyner was the person that he consulted with?—A. No, sir; Judge Wilshire was the person he named. He said that he had concluded not to become a bidder, and that his name should not appear upon the bonds, but that he would get a bidder that should be satisfactory to me, and bondsmen who would be amply sufficient. All that was necessary was that the bonds should be made good, and that my name on there would be more to fill the space and comply with the law than anything else; that there would be two bondsmen; and that, even if I could not justify to the whole thing, if the other party was good that would make the bonds good. That was the idea. After he had made that statement I became reconciled, and concluded I would let the matter go. I then went with him from the hotel to Callan's office. We went there together, just us two. That was in the forenoon, on the 29th day of January, between 10 and 12 o'clock. We went into Callan's office. He introduced me to Callan in a short manner. I think he just said—I could not recollect the words exactly—"Mr. Callan, this is Mr. Ryan, who is one of my bondsmen," or something to that effect, and immediately went out, leaving Callan and me in there with one other gentleman present. I then stated to Callan distinctly and plainly my financial condition. I put it as strong as I could for this reason: I was still hoping to get rid of becoming Kittle's bondsman, and I thought by stating the facts distinctly and positively that I could satisfy Callan that I was not a sufficient bondsman, and that he would say so, and I would then have a good excuse to Kittle for having my name withdrawn; because I still felt that I would rather not have gone on the bond, although at the time I honestly believed that everything would be done fair and square. I had no other belief about it, because if I had been satisfied that there was anything wrong I would have peremptorily refused to have anything further to do with it; but upon the face everything seemed to be good and right, and I believed it would be. I stated to Callan distinctly that I could not justify on all the bonds collectively. They amounted to some two hundred and odd thousand dollars, I believe. Individually, I do not think there was one that exceeded \$1,500 or \$2,000. My impression was there was none exceeded \$1,800. I told Callan I could justify safely to any one of them, but I thought I could not on all, because I was not worth that much money. I did not consider that I was worth exceeding \$2,000 above my liabilities. He went on and spoke in this way; he said, "That will be all right; I have justified to a bond of \$16,000 before Mr. Edmunds, the postmaster, and a short time after that I was called upon to justify to another bond of \$15,000. I doubted my ability, but, said Judge Edmunds, 'Callan is all right, because he is already on a bond of \$16,000.'" He told me that to satisfy me that there would be no indiscretion upon my part in justifying upon all of the bonds. That is about all that was said about it. The bonds were not presented to me at all at the time, and I did not see them. They might have been in the office, but if they were on the table they were not displayed where I could see them. There was a lot of papers on the table that might have been bonds for all I knew. He did not call my attention to any bonds, and I knew to my own satisfaction that the bonds were not complete at that time, because Kittle had told me so. That is all the conversation we had. I was only in Callan's office perhaps five minutes at the outside, and then went out and have never been in his office since. I never met Mr. Callan but once since, and that was at the Post-Office Department. This is the extent of my transactions in Callan's office. There was a gentleman present in Callan's office at that time, and I have been using my best endeavors to find out who that man was, because it is a question of veracity between Mr. Callan and me in regard to what took place there, and I want to find this party.

Q. How do you know that it is a question of veracity between you and Mr. Callan?—A. Because I was present in the Post-Office Department when Mr. Callan made a

statement there and filed an affidavit, saying that he, Callan, told me there that I had taken an oath before him to these bonds. I filed an affidavit, saying that I did not take an oath and that I not see the bonds.

Q. That is the way the matter now stands?—A. Yes, sir; Callan told me and told Judge Tyner in my presence that there was nobody present when this transaction took place between us. I told Judge Tyner that I knew that there was a gentleman present; he was an old gentleman, I think, between fifty and sixty years of age. I took him to be a countryman from his outside appearance; he was dressed very comfortably but in rather rough, dark clothing. My impression is that he had dark, grizzly hair. Originally, he was dark-complected and had dark hair, but it was mixed with gray. He was sitting in a chair at the end of the table. The desk was on the left hand of the door as I went in, and as I went in I stepped in front of Mr. Callan, who was sitting at his desk, I facing him, and this old gentleman was sitting at the end of the desk or table immediately in front of both of us. He heard the conversation and saw everything that took place in the office, and that is the reason I am so anxious to have him found; I have hopes that he will be found; I want him found, if possible, for my own satisfaction, because I never had my veracity questioned on a matter of fact before in the world. I do not know this man, but I am satisfied, if he could be found, by referring to this circumstance he will certainly recollect all about it, because I was so positive in stating to Callan my condition, and stated to him that I wanted everything exactly right and fair; I wanted no harm done in any way, shape, or form, and I did not want to be misrepresented in any shape.

Q. You are aware that Mr. Callan states that you inquired of him whether with that amount of property you could justify, and that he entirely corroborates your statement as to the conversation which took place between you and him; are you not?—

A. I believe the only material difference between his statement and mine is—

Q. You are aware that he does corroborate your statement as to the conversation that occurred between you and him?—A. Yes, sir; I think so. I think the only material difference between his statement and mine is the question of me swearing before him. That is my impression about it.

Q. Are you at present an applicant for a position in the Post-Office Department?—

A. No, sir; I have no application in there. I do not know whether I will become an applicant or not; from present indications it does not look as though I would.

Q. I will ask you whether you have recently seen Mr. Atkins, the witness who was examined just before you?—A. I met him in here yesterday afternoon between 3 and 4 o'clock.

Q. Did you have a conversation with him regarding these matters?—A. He was alone in here when I came in, and I spoke to him when I came in, and asked him, I believe, if the clerk was in. He made some inquiry, and in our conversation—I have seen the gentleman before; I have seen his face—and in our conversation I remarked to him, "Your face looks familiar to me," and asked him if he was a resident here. He said he was, and we talked on about affairs in general. There was a piece of paper lying here on the table, a sheet of foolscap or legal cap, I think, and having nothing else to do I was sitting here waiting for the clerk to come in, and I discovered, in looking over it, that it contained minutes that had been made by some parties in here when Kittle and Callan were testifying—minutes of questions asked, and answers, &c. Among other names there was the name of Reynolds, Kalamazoo, Mich. He looked at the same paper, and when he came to the word "Kalamazoo," which was written so that he could not make it out, he asked me what it was. I said, "Kalamazoo, Mich." Then I asked him if he knew Kittle; he said he did. I asked him if he knew Reynolds; he said he did not; and we had some other little talk about it, and that was about all that occurred.

Q. To whom, if anybody, did you communicate the fact that he had said that he did not know Reynolds?—A. Just now I just wrote on a little scrap of paper when you were questioning the witness. The paper just put that question; that is the amount of it.

Q. To whom?—A. To him.

Q. To whom did you send the paper, to the gentleman examining the witness or to Mr. Cannon?—A. To Mr. Cannon; he was then examining the witness. I just wrote on the paper—I guess the paper is there now—that Atkins told me yesterday that he met Reynolds. I was sitting here, and I handed the paper to Judge Tyner to pass over to Mr. Cannon.

Q. You communicated the information to Judge Tyner, did you?—A. I handed it to him to pass it on to Mr. Cannon, so that Mr. Cannon could ask the question.

Q. You gave it to Mr. Cannon through Judge Tyner?—A. Yes, sir; I would have passed it through your hands or those of anybody else. My object was for that question to come out, because when I asked the question yesterday he said he did not know Reynolds, and I wanted to find out who Reynolds was if I could.

Q. Did his saying yesterday that he did not know Reynolds assist you in finding out who he was?—A. No, sir; it did not.

Q. Have you since Monday evening had any communication whatever with any per-

son connected with the Post-Office Department regarding the matters to be investigated here?—A. No, sir. Since Monday evening?

Mr. AINSWORTH. Yes.

A. No, sir; I have made no communication about it.

Q. You have seen no person about it?—A. Yes, sir; I was in the Post-Office Department this morning and stated that I was subpoenaed here.

Q. This matter has not been mentioned by any person in the Post-Office Department to you?—A. No, sir.

Q. Was the fact disclosed that you were subpoenaed here?—A. Yes, sir; I stated that I was subpoenaed here.

Q. The party to whom you spoke made no response?—A. No, sir.

Q. He did not even ask what about or anything connected with it?—A. No, sir.

Q. You had no conversation with him?—A. No, sir.

Q. You simply went to the Post-Office Department and said you were subpoenaed?—

A. I went to the city post-office and came through the Post-Office Department and stated there that I was subpoenaed here this morning.

Q. To whom did you state that?—A. I stated that to Judge Tyner and Mr. Slater.

Q. They made no response whatever?—A. Nothing that I recollect; they may have made some reply, but if they did, it was just what I would state to you or anybody else, without any question being brought out or anything of the kind.

Q. You went first to the city post-office?—A. Yes, sir.

Q. And from there to Judge Tyner, and informed him?—A. It was accidental that I met Judge Tyner, and as I saw him in there I stepped into his room to get a drink of water, and he was sitting there, and I spoke to him and told him that I was coming up here. I said to him "Judge, I am subpoenaed before that committee at the Capitol."

Q. Are you and he acquainted?—A. Yes, sir.

Q. On familiar terms, as friends?—A. About as much so as I am with you and other gentlemen I have met. I knew Judge Tyner when he was a member of Congress, and I have met him in the post-office sometimes. I was an applicant up there some time ago for a position, and I went to the judge about it, for I had known him here when I was on the Capitol police, and I went to see if I could not get him to intercede to help me along in getting the appointment.

Q. Did you, in that conversation with Judge Tyner, in which you informed him that you were subpoenaed, have any conversation about your prospect of getting a position?—A. No, sir; a question of that kind had never been broached in any way since the time I was an applicant several months ago.

Q. You had simply no other conversation with Judge Tyner, except to inform him you were subpoenaed?—A. None other; I was not in there more than a minute.

Q. He made no answer when you told him that?—A. He may have made an answer of some kind, but it was an answer that amounted to nothing. He paid no attention to it, particularly.

Q. Do you not remember what his response was?—A. No, sir; I do not know that I do. I could not state what he said about it.

Q. Was that before your conversation with Atkins, in which you asked him if he knew Reynolds?—A. I met him here yesterday afternoon. The conversation I had with Judge Tyner was this morning. I went to the city post-office this morning to get some stamps.

Q. You did not say to Judge Tyner, then, that you had seen Atkins, and that he had said he did not know Reynolds?—A. It may be that I did. I would not be positive about it. It was a matter that I did not think anything about.

Q. Do you not know that you went and told him that you had been subpoenaed here, and that you had seen Atkins, and that Atkins denied knowing Reynolds?—A. It may be that I did, but my conversation was very short with him, whatever it was. I recollect telling him that I was subpoenaed here, and perhaps I mentioned the fact what Mr. Atkins states. I do not recollect positively.

Q. So that the first communication of the fact that you had seen Atkins and that he denied knowing Reynolds, was to Mr. Tyner before you came to the committee-room, was it not?—A. Yes, sir.

Q. When you saw him at the Post-Office Department?—A. Yes, sir.

Q. You know Mr. Edmunds, the city postmaster?—A. Yes, sir; I know him about as I know you. I have met him here frequently. I made an application to him once for a clerkship.

Q. Do you remember, at the time that these proposals upon which you were a bondsman were pending, of going with Mr. Kittle to Judge Edmunds when those proposals were taken there?—A. I remember going with Mr. Kittle to Judge Edmunds's office on Monday morning, the 31st day of January, before 12 o'clock in the day. I should think it was about 11 o'clock as near as I can get at it. I know it was before the House met, from the fact that Kittle remarked that he was anxious to get up here at 12 o'clock to see Judge Wilshire.

Q. At that interview with Judge Edmunds did he state that he required certificates

or letters from members of Congress or other persons showing the responsibility of the bondsmen on Kittle's bond?—A. I think he did. I will say this: When we went into the office there were several present, and I did not go up to Judge Edmunds's desk. Kittle went up to his desk and addressed Judge Edmunds. I stood back about half-way between the desk of Judge Edmunds and the door, so that I did not hear distinctly the conversation that took place between them. It was very brief, but my impression is that that was about the substance of it—that as he was not personally acquainted with Kittle or the bondsmen it would be necessary for him to have some evidence from parties that were responsible.

Q. Now, did you explain at that time or about that time to Mr. Kittle that you could get a letter from Judge Wilshire or Mr. Gunter regarding your responsibility?—

A. No, sir, I did not; most emphatically.

Q. You did not say to him that you could do that?—A. I did not open my head to Judge Edmunds.

Q. No, no; I mean to Mr. Kittle?—A. No, sir.

Q. Did you say to Kittle that Mr. Gunter and Mr. Wilshire knew you and could certify as to your responsibility?—A. No, sir; I did not even say that.

Q. What did you say?—A. In the first place, that would not be necessary, from the fact that Kittle knew me and knew my acquaintance with these gentlemen as well as I did, and furthermore Kittle wanted me to do that; he wanted me to get a letter to that effect and I declined to do it. I utterly refused to do it.

Q. A letter to Kittle?—A. To Kittle. I never approached one of the gentlemen on the subject in the world and never told anybody that I would do it; on the contrary, I stated positively to Kittle, when he asked me, that I would not.

Q. Were you acquainted with Judge Edmunds previous to the time you were there with Kittle?—A. Yes, sir; I have known Judge Edmunds by sight and have spoken to him as a passing acquaintance, I suppose, for three or four years. The way I came to know him was his being chairman of a political committee during the last campaign, and I was about the Capitol a great deal, and the judge being an officer of that committee I was constantly thrown in his presence. I knew him, but I never had any business transactions with him until about six or eight months ago, when I went there with an application for a clerkship in his office.

Q. Was your acquaintance with him such that he could readily distinguish you from a person with light hair and light complexion and about twenty-one years of age?—

A. Well, really, I do not know; my impression would be that he could. It may be that I have never made an impression upon Judge Edmunds; that I could not state. I know Judge Edmunds sufficiently well to know him in any community, I think; but I do not know whether he would know me so well; I think it hardly probable he would, from the fact that, he being a prominent man, I would recognize him more readily than he would me; for I am a simple private citizen among the masses, and he probably would not have paid that attention to me that I have to him.

Q. Your acquaintance with him, then, is not such that you think, if you were represented to him as being J. F. Reynolds, he would detect the fact that you were Ryan?—

A. My impression would be that he certainly would. As a matter of course, I could not state what he knows or does not know; but my impression would be that he would know the difference. At the same time it may be that he has given me a great deal less consideration than I supposed he had. I have been in his office, I suppose, on a half-dozen different occasions. I was very solicitous in getting this appointment.

Q. Each time you have been there you have been there as Captain Ryan?—A. Precisely.

Q. And you have never been there in any other character?—A. Never on earth.

Q. And all these interviews with him as Captain Ryan were previous to the time that you went there with Kittle?—A. Yes, sir; my impression is that he did not hardly see me when I was there with Kittle, from the fact that there were several present. I recollect one gentleman that was present; whether he recollects seeing me there or not I do not know. There were several in the office, and one young man named Pettit. He was talking with his friend, and this young man Pettit came along, with whom I was personally acquainted, and I bade him good morning as we passed through the office together.

Q. What position did you say Judge Edmunds had which caused him to be frequently in the Capitol?—A. He was chairman of a republican committee. I do not know that I could state the name of the committee now.

Q. The republican national committee, was it not?—A. Yes, sir; my impression is, the republican national committee.

By Mr. CANNON:

Q. These bonds you signed. I will get you to state whether you swore in fact before a notary public to the correctness of the statements therein contained.—A. I say, most emphatically, that I did not.

Q. The name is not contained in the bond, but it is in a jurat and next to the bond.—

A. To cover the whole ground I will say that I never took an oath before Mr. Callan for anything, and that I never made an oath to any such bond.

Q. At the time you signed this bond I believe you say that they were in blank, except as to the amount and date?—A. Yes, sir. There was no bidder's name, sureties, or witness. My name was the only name that was upon the bond, and it was not there until I put it there.

Q. Did you sign this bond in the presence of Mr. Callan or Mr. Clark?—A. No, sir.

Q. Neither of them?—A. Neither of them. I can tell you the time, date, and place that I signed these bonds.

Q. Do you know Mr. Clark?—A. Yes, sir; I know him by sight; I have spoken to the gentleman. This man Clark here in the room is the one I have reference to.

Q. Did you ever tell Clark you had signed these bonds?—A. No, sir.

Q. Did you ever tell Mr. Callan that you had signed them?—A. No, sir; I never did.

Q. Now, at the time you went before Judge Edmunds, postmaster, with Kittle, what was the date?—A. That was on the morning of the 31st of January, 1876. It was before 12 o'clock in the day, because we were hurrying along up here before 12.

Q. What makes you think it was the 31st of January?—A. Because I recollect the day distinctly. I recollected from what took place before; and my attention having been called to this matter I have made it a study to get it correct.

Q. I will ask you, in that connection, if these bonds and proposals were taken by Kittle to Edmunds at that time?—A. I think they were; I could not say positively. From the time I signed the bond, at Willard's Hotel, on the night of 28th of January, I did not see the bonds until they passed into the possession of the Post-Office Department. That I know to a certainty; that is, I did not see the inside of the bonds. Mr. Kittle had a roll that I supposed were the bonds. I believe they were, but I did not see them to my knowledge.

Q. That was on the 31st of January?—A. Yes, sir.

Q. There was quite a number of people in the room at that time?—A. Yes, sir; a half-dozen, at least, I should think.

Q. Besides you and Kittle?—A. Including us there was a half-dozen; perhaps more.

Q. And you say Judge Edmunds refused to certify without further proofs?—A. Yes, sir; he wanted further proof; he wanted letters from somebody that he did know was responsible; that is the substance of it. As I remarked, when I went in Mr. Kittle stepped up to Judge Edmunds's desk and spoke to him in regard to the bonds. I stood back about half-way between the desk and the door. I overheard a portion of the conversation. I knew beforehand about what it would amount to, and so I did not pay strict attention to what was said, but that is the substance of it—that he would have to get letters or bring parties there that would satisfy him that it was all right.

Q. And Kittle went and got the letters?—A. Yes, sir. Then Kittle and I came up together to the Capitol. We went first to see Judge Wilshire, who was not in his seat at the time. The House was just about being called to order when we got there. We made an effort to find Judge Wilshire, but he was not present. As it was likely to take some little time, I remarked to Kittle, "I have some affairs I want to attend to, and I will go off." He said, "Do not bother with me;" and I went off. In the course of an hour I met Kittle in the old hall of the House of Representatives—Statuary Hall. And there Kittle showed me a letter that he had received from Mr. Wilshire addressed to Judge Edmunds. When I met Kittle he remarked to me that he had seen Judge Wilshire. He opened the letter, and I cannot say now, positively, whether I took the letter out of his hands or whether I read it as we stood together in the old hall. I recollect of reading it over at the time, and I recollect that it was an indorsement of Mr. Kittle, saying that he was—

Q. I am not asking you for the contents; we will have the letter itself. Did you go back then to Judge Edmunds with him?—A. No, sir; I then went over on the Senate side. Kittle asked me to go over with him, saying he wanted to see Senator Conover. The Senator was engaged at that time in a little committee-room; I think it used to be the Committee on Manufactures.

Q. Did he see Conover?—A. Yes, sir; after waiting some little time Senator Conover came out, and I think he introduced me to the Senator; and he and Senator Conover went off together to the post-office to see Judge Edmunds, as I supposed. That is what Kittle told me; and I remarked to Kittle that it would not be necessary for me to go down there. He said, "no;" and they went off together.

Q. You did not go down?—A. No, sir; I have not been in Judge Edmunds's office since the time I went in with Kittle.

Q. Mr. Ainsworth asked you, in substance, if you had a conversation with Kittle, at the Metropolitan Hotel, in which Kittle had told you that Tyner had advised him not to bid, being one of his friends, and you replied "no?"—A. Kittle told me that Judge Wilshire—

Q. Now, just state that in full.—A. When I met Kittle at the hotel that morning, which was on Saturday morning, the 29th, I was anxious to get my name off the bonds,

and I so stated to Kittle, and mentioned my reasons why I did not want my name to

appear upon the bonds. He then said that his name would not appear; that he had been talking the matter over, and upon the advice of Judge Wilshire he had concluded not to appear upon the bonds as bidder; and his name should not appear at all upon the bonds.

Q. Upon the advice of whom?—A. Judge Wilshire; so he said to me.

Q. Was Tyner's name mentioned in that conversation?—No, sir.

Q. Are you acquainted with Judge Wilshire?—A. Yes, sir; I have been for a number of years.

Q. Are you acquainted with Senator Conover?—A. No, sir; never until that day. I knew him by sight, as a Senator; but Kittle introduced him to me, I think, on that day. There was nothing passed between us.

By Mr. AINSWORTH:

Q. Were not the bonds present at the time you had this conversation with Callan that you have related?—A. Not that I know of; I had not seen the bonds. They might possibly have been in the office, but they were not shown to me.

Q. You talked with him as to the question whether you could justify?—A. Yes, sir; that was my main point.

Q. But without any admission on your part that you had signed any bond?—A. I think that I did admit—I think that the introduction satisfied Mr. Callan that I had signed, from the fact—

Q. Then why did you state to Mr. Cannon that you never intimated or admitted to Mr. Callan that you had signed these bonds?

The WITNESS. Did I make such a statement as that?

Mr. AINSWORTH. I so understood you.

The WITNESS. I would like to have that corrected; I do not want to make a misstatement. My impression is, that it was in regard to signing in the presence of witnesses.

Q. The question was, if you ever said to Callan that you had signed these bonds?—A. I do not recollect of his ever asking me such a question.

Q. But was it not distinctly understood between you and him that you had signed these bonds; and the question you were discussing was, whether you could justify to them?—A. Yes, sir; I have never denied signing the bonds. When I went into Callan's office I was introduced by Kittle as a man who had signed these bonds, but I did not see the bonds.

Q. Are you not at present an applicant to the Post-Office Department to be relieved from liability upon those bonds?—A. I presume I am.

Q. Have you not made a written affidavit and application to the Post-Office Department to be relieved from liability upon them?—A. Yes, sir.

Q. And was not the first disclaimer of having signed these bonds, or rather of having made affidavit to your responsibility upon them, made in connection with an effort to be relieved from responsibility upon them in the Post-Office Department?—A. I want to state this—

Q. Answer my question first and then state what you please.—A. I do not know whether I can answer it intelligently or not in that way.

Q. Answer it in your own way, then.—A. After this discussion took place here on 31st of January, when Kittle went off with Senator Conover to the Post-Office Department, I saw no more of Kittle; he told me that he was going to leave town that afternoon, and I heard no more of the matter until the 23th of February. I have met Judge Tyner in the House here. Judge Tyner asked me if I had become Mr. Kittle's bondsman; I told him that I had signed some bonds for Kittle. He asked me if I had justified to some twenty-odd thousand dollars; I said "no." That brought up the whole controversy; there was a crowd here, and I wanted to make the explanation. He remarked to me, "I have not the time," or something of the kind; Congress was just adjourning. He said, "Come down to my office in the morning and make your statement in regard to this matter." I went down to Judge Tyner's office the next morning, and did make the statement and affidavit referred to. I did that to clear myself and to show just how far I was implicated, and what part I had played in this whole transaction.

Q. After these contracts were executed as you supposed, and taken to Mr. Edmunds for approval, and he stated that he required other evidence of the responsibility of the bondsmen, and you and he came to the House and saw Mr. Wilshire, was not that for the purpose of Mr. Kittle's getting a letter from Mr. Wilshire indorsing the responsibility of those bondsmen?—A. I presume it was, so far as Mr. Kittle was concerned.

Q. Did you not understand that that was why Kittle came there?—A. Yes, sir; precisely.

Q. And did you not understand that that was why he visited Senator Conover?—A. Yes, sir.

By Mr. LUTTRELL:

Q. Was there an understanding between you and Kittle that you were to have a certain interest in these contracts?—A. No, sir.

Q. Or any compensation for your trouble?—A. None on earth; most emphatically, none.

By Mr. AINSWORTH:

Q. When you went before Judge Edmunds, and Kittle had the bids there, did you make any objection to their being approved, with your name on as surety?—A. No, sir; I made no objection at all, because I thought this: when I was there I expected that Judge Edmunds would call upon me, and then I would have an opportunity to explain my condition exactly, and when we came up here I expected to go back with him, but he said it was not necessary, and I thought so long as I did not go and make an explanation, as a matter of course I have made none, and that my name will only be good for what it is worth. I knew it would be there for what it was worth, but I had made no statement in regard to it, and I felt that if I did make a statement I would state the exact truth, and that the bonds, as he had assured me that he was able and was worth a sufficient amount to cover the whole of the bonds collectively, would really make the bonds good; that my name on them would be—

Q. You stated that Judge Edmunds made the exact answer to Kittle that you expected, which was that he must have letters from some persons as to your responsibility. You now state that you expected Judge Edmunds to call you up and inquire. How do you reconcile those answers?—A. If I had gone before him as a matter of course, I expected, if I had gone there as bondsman, he would have questioned me about it.

Q. But you expected him to say, bring a letter from some Congressman or somebody else, did you not?—A. In the absence of not knowing the bondsmen. If he had known the bondsmen, it would not have been necessary to bring a letter.

Q. You say you do not think his attention was called to you at all?—A. I do not know that it was; it might have been.

Q. You did not expect him to call you up, did you?—A. If I had gone there, and appeared before him as bondsman, and stated that I was a bondsman—

Q. You did not do that, did you?—A. No, sir; I did not.

By Mr. LUTTRELL:

Q. As I understand, you were at Callan's only once?—A. Once.

Q. There were three or four persons there at that time?—A. There was only one gentleman in the office at the time that this conversation took place between Callan and myself.

Q. Was Callan there when you first went to the office?—A. Yes, sir; he was in his office, sitting at the table.

Q. Was there anything said about being at the office of three or four different notaries public that morning, and not finding them in, and then coming in there?—A. No, sir.

Q. Did Mr. Callan seem to understand the subject-matter as soon as you went in?—A. Yes, sir.

Q. Did he act as if he had been consulted before?—A. Yes, sir; I felt satisfied, as soon as the matter was broached to him, that he understood the whole thing. I was anxious that I should be fairly understood by him, in regard to my financial condition, before the oath was administered.

WASHINGTON, March 8, 1876.

W. T. CLARK sworn and examined.

By Mr. CANNON:

Question. General, look at that bond number 16104, and look at the proposal, and the name of the party proposing, together with the names of the witnesses.—Answer. That is my signature there.

Q. I will ask you if you are acquainted with John F. Reynolds.—A. I never saw him in my life that I know of.

Q. Do you know who he is?—A. No, sir.

Q. That is your name as a witness?—A. That is my signature; yes, sir.

Q. Did he sign that bond in your presence?—A. No, sir.

Q. Of course he did not acknowledge there?—A. No, sir.

Q. How did you happen to witness it?—A. I witnessed Mr. Kittle's signature only; that is all. I witnessed W. D. Kittle's signature; that is all I was called upon to do.

Q. It does not state that. It appears from the statement that you witnessed as to the whole.—A. No, sir; I have stated heretofore that I witnessed Mr. Kittle's signature only; I do not know anything about the balance.

Q. I am speaking of what the paper shows. The paper does not show that you wit-

nessed as to Kittle's only.—A. I simply put my name there to witness Kittle's signature.

Q. The paper does not show that, does it?—A. It says "witness."

Q. The paper does not show that you witnessed only as to Kittle?—A. No, sir; it does not.

Q. And never did?—A. And never did.

Q. You state as a fact, that you only witnessed Kittle's signature?—A. That is all I did; that is all I had to do with it.

Q. You do not know anything about Ryan's signature?—A. No, sir; I have met Ryan on the street before.

Q. Where were you when you witnessed this?—A. In Kittle's room in Willard's Hotel.

Q. Do you recollect when it was done?—A. I think it was Monday, the 31st of January, or it might have been the Saturday before; I am not quite sure about it.

Q. Was Reynolds's name to this bond then?—A. I think it was.

Q. Also Mr. Ryan's?—A. Yes, sir; both of them.

Q. The whole filled up?—A. Yes, sir; I think it was. My only object, as Kittle described to me, was to witness his signature. I said, "Yes, I know you, but I do not know the balance."

Q. Was Callan's name on that at that time?—A. I think it was there. I think I must have signed my name to—I do not know how many bonds—I did not keep count of the number. It was merely a casual meeting. I had not seen Kittle for two or three months before I met him as I was going home.

Q. Did you have any interest in these contracts?—A. No, sir; I never had such a contract in my life—I am positive about that—or any other, for that matter.

By the CHAIRMAN:

Q. In witnessing the signature of Mr. Kittle, did it strike you that it was rather peculiar to witness one signature, when there were three on the paper?—A. I said "Kittle, here are some other names." I says, "I do not know these other men, who they are." He said, "You just witness my signature." I sat down and did it for him. That is all there was of it. It never entered my mind again until four or five days ago, when I met him on Seventh street, and he wanted me to go up to the Post-Office Department and make a statement of the circumstances to Judge Tyner, which I did. It never came into my mind afterward, and, in fact, it has not since until I was summoned this morning.

WASHINGTON, March 9, 1876.

J. B. UNDERWOOD sworn and examined.

By the CHAIRMAN:

Question. State what position you hold, if any.—Answer. Special agent Post-Office Department.

Q. Where do you reside?—A. I reside in Oregon.

Q. You made a report in regard to the Walla-Walla and Missoula post-route, No. 15414, I believe?—A. I do not remember the number. I remember the route from Walla-Walla to Missoula, by way of Pend d'Oreille.

Q. If you have made a personal inspection of that route and made your report to the Department, give us such general information in regard to it as you can state clearly and concisely. Give us the conclusions you arrived at in regard to the condition of the route, the services performed, and state generally what you learned.—A. I think in the fall of 1869 I visited Walla-Walla for the purpose of looking after that route. The postmaster had notified me that there was a route through there that was not necessary. The name of the postmaster at Walla-Walla who informed me is Charles Moore, I think. I think it was in the fall of 1869, but I am not positive. The route ran through Montana, and runs up nearly to the British possessions.

Q. At some time in your examination I would like you to describe the route and the number of post-offices on it.—A. In the first place, I did not go over the route. I could not very well do it; I had not time. I gained all the information I could from miners and packers who were packing over that country. I saw men who had traveled over the route frequently, and I got from them the facts as I understood them.

Q. You say you were asked to go over the route by the postmaster, Mr. Moore?—A. Yes, sir; Mr. Moore was the postmaster at Walla-Walla, and, in a correspondence I had with him, he said that there was a route that I ought to look after.

Q. Did you look after it?—A. Yes, sir.

Q. What condition did you find it in?—A. It has been some time ago. I reported the facts to the Department at the time, and I presume that report is on file. As I remember now, I thought the route was unnecessary from the best information I could get,

and that the contractors were not performing the service through the middle of the route.

Q. Please state how they were performing the service.—A. I think they were running up as far as Spokane Bridge at that time.

Q. How far is that?—A. Spokane Bridge is probably one hundred miles or more. The information I got was that they were running up to Spokane Bridge three times a week, and from there to Jocko they were running once a week.

Q. State the distances as you go along.—A. I could not. The facts I reported to the Department are on file, I think, and I never made any other report. I recommended that the service be cut off, and I think it was reduced from three times a week to once a week, and was afterward increased again.

Q. You found the service was performed according to the contract out to this place you spoke of?—A. Yes, sir; that was the best information I could get at the time from people who had been over the route from Missoula to Jocko.

Q. Do you remember the distance of the entire route?—A. I think it is over four hundred miles, if I remember right.

Q. Can you state what the contract-price was for carrying the mails over the route three times a week?—A. I do not remember what the price was. I had an understanding that it was somewhere about \$90,000. I had no means of knowing correctly.

Q. And, according to the facts as you ascertained them, you recommended to the Department that the route be discontinued?—A. Yes, sir; from Spokane Bridge. I think I recommended, from Spokane Bridge to Jocko, a service of twice a month, if I remember rightly.

Q. You say it was discontinued as you recommended?—A. No, sir; reduced to once a week. It was afterward increased, as I understood.

Q. Do you know how long afterward it was increased?—A. No, sir; I do not. I have not examined the papers in the Department in that case.

Q. You had a talk with the postmaster and miners and packers?—A. Yes, sir; those who had come in over that country.

Q. You did not go over the route yourself?—A. No, sir.

Q. Have you any information as to why it was increased?—A. No, sir; I know nothing about it. It was done here, without my recommendation.

Q. What was the increase made?—A. I think it was changed to three times a week. That was my understanding; I have no official knowledge. I was not notified of that increase.

Q. Please tell the committee what was the character of the country that route ran through; whether settled or not, and what were the necessities for mail-service.—A. From the best information I could get, there was no need for any service from Spokane Bridge to Jocko.

Q. What was the information you got about it?—A. That it was barren country; nobody living there to amount to anything, except a few miners and trappers occasionally.

Q. Do you know what number of offices were on the route?—A. No, sir; I do not. When the route got to Spokane Bridge it was out of my district, and I paid very little attention to it beyond Spokane.

Q. You considered that the route was unnecessary and asked that it be discontinued and put on twice a month?—A. I think that is so.

Q. You did not recommend its absolute discontinuance or annulment?—A. No, sir. That was a long time ago. I was a new agent at that time and can hardly remember what I did report.

Q. Do you remember who was the contractor on that route?—A. Yes, sir. I remember who had control of it. His name was C. C. Huntley. I do not know whether he was the contractor of record or not.

Q. Do you remember of ever having a conversation with Mr. Holbrook in regard to these routes, Mr. Holbrook being a clerk in the Department at that time?—A. I remember two years ago of being in the money-order office here, and having a pretty general talk with a lot of clerks, and I think Mr. Holbrook was present. We were talking about the routes out in our country. It was at the time of the general lettings two years ago. I think Holbrook was a clerk in that room at the time.

Q. Did I understand you to say that you do not remember the contractors on that route at that time?—A. I say I know who had control of the route at that time. C. C. Huntley had control of it. I do not know whether he was the contractor of record.

Q. Had Mr. Huntley control of many other routes in that section of the country?

The WITNESS. In the Walla-Walla country?

The CHAIRMAN. Yes.

A. He was interested in the great overland route from Kelton to Walla-Walla and The Dalles.

Q. Is that the one you call the overland route?—A. Yes, sir; I think it was No. 16223.

Q. Kelton is in Utah?—A. Yes, sir; I think it is near the line between Utah and Idaho.

Q. The route you speak of was from Kelton to The Dalles?—A. Yes, sir. It also supplies Walla-Walla by a branch from a little station called Cayuse.

Q. He had control of that route also?—A. I do not know whether he had control of it. He was interested in it. It was a corporation that carried it on. I have always understood that he was interested in that route.

Q. We have an affidavit, made by Mr. Holbrook, which I will read to you:

"DISTRICT OF COLUMBIA,

"City of Washington, ss:

"On this the 16th day of May, 1874, personally appeared before me Theodore L. Holbrook, who, being by me duly sworn, deposes and says that he is a fourth-class clerk in the Money-Order Bureau of the Post-Office Department, receiving a salary of \$1,800 per annum, and that on the 5th day of February, 1874, J. B. Underwood, a special agent of the Post-Office Department, whose headquarters are at Eugene City, Oregon, made the following statement to him in room 57 of the Post-Office Department, in the presence of J. H. Whitaker, a third-class clerk in the Money-Order Bureau of the Post-Office Department, viz: that he (Underwood) had inspected the mail-service on route No. 15414 from Missoula, Montana, to Walla-Walla, Washington Territory, and had reported to the Post-Office Department that the service was unnecessary, and that in consequence of such report the service was reduced, but was afterward restored; that his (Underwood's) pay was reduced and that he came near being removed, since which time he had minded his own business. He also stated that Charles Moore, late postmaster at Walla-Walla, was one of the best postmasters in the Territory, but that he kept a record of all letters passing over route No. 15414, from or to his office, for six months, and reported to the Department that the service was unnecessary, and that it cost the Department at or near the rate of a thousand dollars for every letter carried over the said route. That the service on the route was continued, and that the said Charles Moore was removed from office, and one James M. Gorman, the agent of the contractors upon said route, was appointed postmaster in his place; that the people of Walla-Walla made such a fuss that the said Gorman did not take the office.

"The deponent further says that from the records of the Post-Office Department he has taken the following statement,* viz: Route No. 15414 was let, in March, 1870, under advertisement of September 30, 1869, for once a week service, to L. L. Blake for \$15,100 per annum, (failed to contract.)

"Contract for once a week service made with C. C. Huntley at.....	22,900
"July 29, 1870, one additional trip ordered on side-supply.....	2,022
"August 23, 1870, service extended on side-supply to Gird's Creek, forty-five miles, increasing pay.....	4,550
"December 22, 1870, two additional trips ordered between Missoula and Walla-Walla, increasing pay.....	41,754

"Pay per annum.....	71,226
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"Advertised in 1873, as route 43127, three times a week mail.

"Charles Moore appointed postmaster Walla-Walla, Washington Territory, March 17, 1869. Re-appointed (office made presidential) July 13, 1870.

"James M. Gorman appointed postmaster Walla-Walla January 29, 1873, (failed to bond.)

"Samuel D. Smith appointed postmaster Walla-Walla, March 18, 1873.

"THEODORE L. HOLBROOK."

I ask you now if you made this statement spoken of in this affidavit in the presence of Mr. Holbrook?—A. To answer your question yes or no would be very hard to do. Let me answer it fully. We were in the Department at the time of letting the contracts; I suppose a half-dozen of the clerks were there, and we got to talking about this route. That statement of Mr. Holbrook's is correct in the main. The question was asked me by Mr. Haines, I think, probably—I know I was talking with him about it to-day—and he asked me why I did not still fight that route off. I probably remarked that I thought contractors had more power than I had; that I had come pretty near losing my head once and I thought it best to mind my own business.

Q. Did you make any estimate at the time from the information you got from Mr. Moore, the postmaster there, about the cost of carrying mail, per letter, for instance?—A. Mr. Moore and I figured it up one day, I think.

Q. What was the result?—A. Well, sir, it is so vague I can hardly remember it. I think, to the best of my knowledge, it was something like \$800 a letter. Mr. Moore had estimated it, and he showed it to me and said he was going to swear to it and send it to the Department. I think \$800 was the figure, but I am not positive.

* Also shown by Ex. Doc. No. 322, Forty-second Congress, second session, p. 622.

Q. Was that postmaster, Charles Moore, removed from office?—A. He was.

Q. How long long after that?—A. I could not tell you what time he was removed; I have no idea.

Q. Do you know whether Mr. Moore did state those facts in an affidavit to the Department?—A. I know he told me so; I do not know whether he did or not.

Q. Did you report in regard to how he was performing his duties as postmaster?—A. I think I did. I did if there was any complaint against him, which I do not remember now. I have so much business with every Department that it has passed from my mind.

Q. After Mr. Moore's removal did you hear any comments in that neighborhood upon his removal?—A. Yes, sir; there was a good deal of talk about it among the people.

Q. What kind of talk was it?—A. The most of the people in Walla-Walla condemned his removal.

Q. Was he a popular postmaster?—A. I would consider him so; very.

Q. With whom was he unpopular?—A. The only man I ever heard speak of him particularly was this man Huntley, and a man named Parker, in that country, and another man named Andrews.

Q. Were Parker and Andrews interested in mail-contracts?—A. No, sir; they wanted to be appointed postmaster in his place. Parker applied to me to recommend him for the place.

Q. Did you recommend him?—A. No, sir; I did not. I went to Walla-Walla to investigate the matter as to Moore's removal. Parker had made charges against the postmaster, and that is how I happened to get this letter from Mr. Moore. I had never met him previous to that time. I think he said to me that I had better come up and investigate the charges against him and this mail-route.

Q. Did you investigate the charges against Mr. Moore?—A. There were no charges except those from Parker, and I found those very trivial. They were simply something about taking coin. In that country we have no five-cent pieces; and ten cents is fifteen cents or fifteen cents ten cents in ordinary business, and I believe the charge was that Mr. Moore, when he was given a quarter for postage-stamps, would only give four stamps and a ten-cent piece back. It was something like that. That was the nature of Parker's charges. A ten-cent piece is considered a bit, and a bit a York shilling.

Q. Have you any idea whose influence removed Mr. Moore from office and put the other man in?—A. That is a pretty hard question to answer. Am I obliged to swear to my ideas?

Q. You can swear to who recommended him.—A. I do not know that; I did not. I do not know who recommended him; I never looked at the papers.

Q. You state that you never heard anybody object to Mr. Moore except Huntley and Parker?—A. And a man named Andrews. They were the only three men that made complaints at Walla-Walla. I was there ten days.

Q. What did Andrews want?—A. I think he wanted Parker to have the place, or Parker wanted him to have it; they wanted it between them, anyhow.

Q. You considered that there was really no objection to Mr. Moore as postmaster, after looking the thing up?—A. No, sir; I was never in a town, I think, where there was a more popular postmaster with the masses of the people than Mr. Moore.

Q. You have no means of arriving at a knowledge of the reasons for which he was removed?—A. No, sir; I do not know. I think Mr. Moore telegraphed me in regard to his removal, and I telegraphed to a special agent from our country, who was in Washington, to get the appointment withheld until I could send on a statement in reference to Mr. Moore.

Q. Did you send on a statement?—A. No, sir; I did not, because Mr. Gorman, before sending the statement, was removed himself, and Sam Smith was appointed. Smith was a man with no legs. He had been an old soldier, and I did not interfere with his appointment after that.

Q. Who was Sam Smith?—A. Sam Smith was an old soldier there who was decrepit. He had been a sergeant, I think, in General Grant's company.

Q. I mean what business was he engaged in?—A. I think he had a little store at the time. It was understood that he used to be a sergeant in General Grant's company when he was a captain out there on that coast.

Q. He belonged to the old Army, you mean?—A. Yes, sir; he was an old soldier.

Q. What do you know about Mr. Huntley as a mail-contractor?

The WITNESS. In what respect?

The CHAIRMAN. I mean in any respect involving his general rectitude of character as a mail-contractor?—A. I do not know anything in reference to Mr. Huntley's contracting, only that he had contracts.

Q. Do you know how he procured his contracts?—A. No, sir; I do not.

Q. Do you know how he procured an increase of service?—A. No, sir; I do not know; only in the regular order, by getting it by order of the Department.

Q. Did he frequently get increases of service?—A. Yes, sir; in some cases he did in

our country. He got increase of service on two routes that he was interested in in our country, that I know of.

Q. He got an increase of service on the Walla-Walla and Missoula route?—A. That was my understanding. I do not know it of my own knowledge. About this time the Walla-Walla district was taken from me. My district was divided and another agent was sent there, and I did not pay much attention to it after that.

Q. You speak of the route from Kelton to The Dalles as being another one of the routes controlled by Huntley. Was that route in existence at the time you speak of, as far back as 1869, when you made the investigation of the Walla-Walla and Missoula route?—A. That route was in running order at that time, but Mr. Huntley did not get it until 1870. It may have been the fall of 1870 that I was at Walla-Walla. I am not positive as to the years. I could not tell which year it was.

Q. Describe that route; where it begins and ends, and the kind of country it runs through from Kelton to The Dalles.—A. From Kelton to Boise City, a distance of two hundred and fifty miles, it runs through a sage-plain desert, uninhabited except by occasional stock-herders and the stage-people that live along the route. It is a country destitute of water and timber in a great measure. Boise City is the capital of Idaho. From Boise City the next important place is Baker City, about a hundred miles from Boise. From Boise City to Baker City it is more or less settled all the way. It is a mixed country of desert sage-plain, grazing, and a little farming country. From Baker City to The Dalles it is settled all the way, more or less. Baker City is the county-seat of Baker County in Oregon.

Q. What was the pay in 1870 on that route and the number of times service per week?

The WITNESS. At the time Huntley and those folks had it?

The CHAIRMAN. Yes, sir.

A. The original contract was \$192,000 per annum at six-times-a-week service.

Q. Was it six-times-a-week service when they took the contract?—A. Yes, sir.

Q. You have traveled over that route, have you not?—A. Yes, sir.

Q. Have you sufficient information to form a judgment about the price that ought to be paid for carrying the mail over that route?—A. Well, I have been staging a great deal the last six or seven years and I would suppose the service was worth, actually, somewhere in the neighborhood of \$125,000. That would leave a good margin for profit for the contractor, I think.

Q. Performed how often?—A. Six times a week. There is very good travel from Boise City to Umatilla.

Q. Was service regularly performed on that route?—A. So far as I know it was.

Q. You do not know anything about any fines or deductions made or anything of that sort?—A. No, sir. I have no means of knowing.

Q. There is another route that you are probably acquainted with, that runs from Winnemucca to Boise City?—A. Yes, sir.

Q. Do you know who had that route at the time you speak of in 1870?—A. The same company, called the Northwestern Stage Company, of which Huntley had control.

Q. Please describe that route.—A. I was never over that route. That route is about two hundred and eighty miles long.

Q. Do you know about the compensation on that route, what it was in 1870?—A. I saw on the books this very day, but I do not remember now. I think it was somewhere in the neighborhood of \$77,000, if I remember rightly.

Q. Have you made investigations in regard to that route?—A. No, sir; I have not.

Q. I mean recent investigations.—A. No, sir.

Q. Have you made any in regard to the route from Kelton to The Dalles?

The WITNESS. The route as at present, or as it was?

The CHAIRMAN. The route as it was, or as it is at present.

A. I investigated some in 1870 up to 1874.

Q. But have made no recent investigations?—A. That is recent; but I have made no investigations as to the present status of the route.

Q. Who is the present contractor on that route?—A. The same parties, the Northwestern Stage Company.

Q. How does it happen that you made no investigation except in regard to a certain period? I do not understand that.—A. I have not had time to get down to the other part of it. I commenced back a long ways.

Q. What conclusions did you arrive at in the investigations you made in regard to that route from Kelton to The Dalles?

The WITNESS. In what respect?

The CHAIRMAN. In respect to the service and honesty of the mail-contractor, and the execution of his contract according to his agreement.

A. I found nothing against the contractor, so far as performing the service was concerned, from 1870 to 1874.

Q. Did you find that the contractor had had any orders made in the Department

that were peculiar and different from other contractors on his route?—A. No, sir. I do not know that I did; any that were peculiar. There were some that might be considered extraordinary.

Q. Well, extraordinary, I will use that term.—A. I do not know as that is a good word. What do you refer to? Then I can explain my orders.

Q. Tell us what you refer to; what was it you considered extraordinary?—A. I found an order for increase of service from six to seven times a week.

Q. Tell us about that order; when it was made.—A. [After referring to memorandum.] I could not tell you the date that the service was increased.

Q. Do you think it was the first year of their contract, or the second year?—A. I think it was some time in 1871, if I remember rightly.

Q. Who was Postmaster-General at the time?—A. Mr. Creswell. I am not positive as to the date.

Q. You say the service was increased to seven times a week instead of six?—A. Yes, sir.

Q. What authority did you find in the Department recommending an increase of service?—A. I found petitions there pretty numerous signed, with recommendations from Senators and members of Congress, asking for the increase.

Q. Any other petitions except from them?—A. Yes, sir; I think there was a petition from Boise City, if I remember rightly.

Q. Please tell the committee why you thought that was extraordinary or singular, or whatever term you please to apply to it.—A. I will say unwarranted, maybe that would be better. I do not think that the demands of the country asked for seven-times-a-week service; and I should have reported against it if I had been asked for my advice.

Q. Who was the proper person, as the agent of the Post-Office Department, to have asked in regard to that matter?—A. I do not know. The Postmaster-General would have to be the judge as to who was the proper party.

Q. Who was the agent at the time out there?—A. Colonel Wickiser was special agent at Salt Lake City.

Q. Were you asked your opinion about it?—A. No, sir; I was not.

Q. Do you know whether Colonel Wickiser was asked?—A. I do not.

Q. You never heard him speak of it?—A. No, sir.

Q. Have you any knowledge of Wickiser's opinion about the necessity for that increase of service?—A. I have frequently talked with Colonel Wickiser about the service from Boise City to the railroad by the two different routes, but I do not remember that he ever expressed any opinion as to this seven-times-a-week service.

Q. I understand that there were side-supplies on that route from Walla-Walla to Missoula?—A. I do not know anything about that.

Q. You thought that increase of service was unwarranted from what you knew of the route?—A. Yes, sir, I did; that is, it was unwarranted by the demands of the country.

Q. Can you tell what additional amount was paid for that increase of service three times a week?—A. \$32,000 per annum.

Q. \$32,000 was added for increase of service?—A. Yes, sir.

Q. Can you tell the committee how long the increase of service continued?—A. It continued from the time the order was made until the contract expired, in July, 1874.

Q. To your knowledge, has this same man been a contractor from that time on that or other routes up to the present time?—A. Yes, sir.

Q. He is still a contractor in the service and has been all the time?—A. Yes, sir.

Q. That makes the price for carrying the mails seven times a week from Kelton to The Dalles \$224,000. I understand you considered that a very high price?—A. Yes, sir; I think any man would consider it a very high price.

Q. Do you mean that \$120,000 was sufficient to carry the mail seven times a week?—A. I said my understanding was, when you asked me what the service was worth, it is seven-times-a-week service now, that I would consider \$125,000 for seven times a week a fair price.

Q. That is \$99,000 less than it is now?—A. Less than it was then.

Q. Do you know what it is now?—A. Yes, sir.

Q. What?—A. \$134,700.

Q. Were these contracts awarded by the present Postmaster-General?—A. Yes, sir; I think he awarded the contract. The contract was let to a man by the name of De Lacey first, and he failed.

Q. He was a straw-bidder, was he?—A. I do not know what he was. He failed, and then the mail was carried for a certain length of time by the old contractors, I think at about \$600 a day, and it was afterward let at the present price. I know De Lacey failed last November, and then the postmaster at Kelton hired this Northwestern Stage Company to carry it, and notified the Department. I think the price was about \$600 a day after De Lacey failed.

Q. That was temporary service?—A. Yes, sir; and they carried it until this present contract was let to Bradbury.

Q. Has any other fact come to your knowledge in investigating this matter that was unwarranted?

The WITNESS. On that route?

The CHAIRMAN. On that route.

The WITNESS. From 1870 to 1874?

The CHAIRMAN. From 1870 up to the present time. I believe that is as far back as your knowledge extends.

A. Well, there was an allowance of \$5,000 a year made on a contract for service.

Q. For what?—A. For service from Cayuse, I believe, on the route to Umatilla, making the full pay for the contract, \$229,000.

By Mr. McMAHON:

Q. Is that the same line of route, or is it a side road? [Witness pointed out the routes on the map.]—A. The route was advertised for the whole distance from Le Grande to Cayuse, and Mitchell Station, and Milton, and Weston, and Walla-Walla, and Umatilla, and Scotts, to The Dalles. That was the advertised route. The stages came down to Cayuse, and there is one stage-road to Walla-Walla and another to Umatilla; and the \$5,000 I spoke of was for carrying the mails from Cayuse across through Pendleton to Umatilla.

By the CHAIRMAN:

Q. Why did they demand an extra price for that—because it was not a part of the advertised route?—A. Yes, sir; I believe that is what they claimed.

Q. And they carried the mail how far?—A. Up to Walla Walla. There is only one road from Cayuse to Umatilla, and that is by the way of Pendleton and Meadowville. The stages have always run that way ever since there was a stage-route.

Q. You considered it wonderful if they got \$5,000 a year, because that was the only route that they could have traveled to get up to the Dalles in order to fulfill the contract?—A. They could not get from Walla Walla to Umatilla in any other way.

Q. And they claimed that additional pay of \$5,000 for carrying the mail between those two points?—A. They claimed a good deal more than \$5,000, but they were allowed \$5,000 additional. It was \$192,000 a year. Divide that by 750 and you will find how much it was per mile. They claimed a good deal more than \$5,000, I think. It would be about \$10,000, allowing pro rata.

Q. When was that order made?—A. I could not tell you the date. My impression is that the order was not made until about the time the service was completed.

Q. About the time the service expired do you mean?—A. Yes, sir.

By Mr. CANNON:

Q. Do you get this from the papers?—A. These papers I had were memoranda that I made.

Q. What I want to know is whether the records of the Department show what you have been stating?—A. What I have here is taken from the records. I do not know the date. I have a memorandum of it, but I did not get the date.

By the CHAIRMAN:

Q. Your impression is that that was made toward the time that the contract expired. If that is the case, was that increase of \$5,000 a year for this service to go back and apply from the beginning of the contract up to the time that the order was made?—A. I have got confused between that order and another order that was made on some other route, I think. The order was made to take effect for the whole time that they performed the service. I remember that part of it.

Q. You understand that it dated back from the beginning of the service?—A. I think so; there was retroaction of the order, if I remember rightly, but I am not positive. It was what was called in the Department "recognized service;" that is, it was recognized as having been performed on certificates of the postmasters.

Q. Then they got \$229,000 altogether?—A. The service originally was \$192,000. They added \$32,000, making \$224,000, and then \$5,000 would make \$229,000.

Q. Now in regard to this additional \$5,000 that was allowed for carrying the mail between those points you mentioned, did you consider that unwarranted?—A. I do not think they were entitled to it.

Q. You do not think they were entitled to the additional \$5,000 between those points?—A. No, sir; for they had a stage-station at each post-office where they changed horses.

By Mr. McMAHON:

Q. It was impossible to perform the service on the advertised route without going through those places?—A. Yes, sir.

By the CHAIRMAN:

Q. Is there any other fact which you discovered in regard to this route from Kelton

to The Dalles?—A. I do not think of anything that was irregular in the matter; I cannot think of anything at present.

Q. Was there any record evidence in the Department, in the investigation you made, showing the influence that obtained this additional \$5,000 a year on that route?—A. I think there was a statement from contractors or some of their agents, that they had performed service, with certificates from the postmasters, and a statement on the jacket that inasmuch as this service had always been recognized heretofore, and that the contractors had performed the service, the contractors on this route should now be allowed that. That is about all I saw in reference to it. It had been a custom always, in the Department, to pay for that extra service through there, before Mr. Creswell's time. The previous contractors, it seems from this record on the jacket, had received pay also for that route across there. I did not go back into that contract of 1865, in my investigation. It stated that on the jacket.

Q. Have you made any investigation of this Winnemucca route to Boise City?

The WITNESS. In what respect—in reference to contract matters?

The CHAIRMAN. In reference to the contract.—A. Not any at all.

Q. Have you made any investigation of any kind in regard to that route?—A. I made some investigations as to the necessity of those two routes, from the railroad up to Boise City. From Winnemucca to Boise City is two hundred and eighty miles. The route runs a little west of north, I think, and intersects the Central Pacific Railroad at Winnemucca.

Q. You made some investigation as to the necessity of that route; state what it was.—A. In my opinion, the route from Boise to Kelton is wholly unnecessary. That is the desert route. There is one route from Boise to Kelton that intersects the railroad seven hundred and ninety-two miles from San Francisco, and the one at Winnemucca, four hundred and sixty-four miles from San Francisco; making three hundred and twenty-eight miles between these two points. Between Boise and Kelton it is desert country.

Q. Please state why you think the mail-route unnecessary from Kelton to Boise.—A. There is nobody living on the line of the road, and there are no post-offices, except one little way-office called Rock Creek, at a stage-station, and Boise is supplied from Winnemucca.

Q. Therefore, the mail-contract from Boise to Kelton, supplying no intermediate offices, and nobody living on the route, and the country through which it passes being a desert country, you think the route is unnecessary?—A. I consider it so.

Q. That is still running, is it?—A. Yes, sir; at this time.

By Mr. STOWELL:

Q. Do you say that there are no intermediate offices?—A. There is a little way-office called Rock Creek.

Q. What is the service on that route?—A. Seven times a week.

Q. How much a year?—A. That is a part of this great route that I speak of, from Kelton to The Dalles, two hundred and fifty miles of the seven hundred and fifty. The whole pay is \$134,700.

By the CHAIRMAN:

Q. How is the country from Boise City to The Dalles?—A. That is settled more or less of the way; that is a necessary and very important route.

Q. At what time did you make this investigation, you are now speaking of, in regard to the Winnemucca and Boise route?—A. I have been over that route a great many times; every year or two.

Q. Have you made any representations to the Post-Office Department that that route is useless, that you have just now spoken of?—A. I have.

Q. How long ago?—A. I never said anything to the present Postmaster-General about it until yesterday. I have talked with Colonel Routt about it. He was Second Assistant Postmaster-General when I was here in 1874.

Q. Tell the committee what information you gave him in regard to it.—A. I told him I thought it was wholly unnecessary from Boise to Kelton.

Q. Did you give him the reasons?—A. I did.

Q. Did you take a map and show him the routes?—A. There was a map in the office at the time we were talking about it.

By Mr. McMAHON:

Q. Did you file any written report on it?—A. Not at that time.

By the CHAIRMAN:

Q. Have you ever filed a written report about it?—A. I made a recommendation to him about it.

Q. At what time did you make that?—A. I could not tell you that—some three or four years ago.

Q. When you made that recommendation, did you ever hear any intimation about it afterward?—A. No, sir.

Q. Who was Postmaster-General when you made that recommendation?—A. Mr. Creswell. The letter was addressed to the Second Assistant—I always write to him.

Q. Who was Second Assistant Postmaster-General then?—A. I could not say whether it was Giles A. Smith or John L. Routt; it was one or the other. It was a good many years ago.

Q. You spoke of talking with John L. Routt; what other officials in the Post-Office Department did you speak to?—A. I talked with Mr. Brown, who was then head of the division for our country.

Q. Did you give him the same information you have given the committee, in regard to it?—A. Yes, sir.

Q. What did he say about it?—A. The general argument was, that the people of Boise opposed it. That is the route people went when they started East, to go to the railroad, and they opposed it. I talked also to John Haley, Delegate from Idaho, and asked him to join me in a recommendation to cut it off. He refused to do it, and said he would oppose it if I urged it, which was very natural, because he lives at Boise City.

By Mr. McMAHON:

Q. The stage-route could not be in existence unless they had the mail to carry?—A. No, sir; the Boise people want that route for the convenience of travel more than anything else. They get their eastern mail there about twelve hours quicker by that route than any other. If it went to Winnemucca, and reached them by that route, it would take about twelve hours longer.

By the CHAIRMAN:

Q. What would be the necessity of a route from Boise City to Kelton if that route was there?—A. I consider that route from Boise City to Winnemucca a necessary route. There is quite a large settlement of people at Silver City on that route.

Q. They must have some connection to the railroad, and that is the better route of the two?—A. Yes, sir; it accommodates more people along the line.

Q. The only advantage that would accrue to the people of Boise City or to anybody, to have the mail cross the Kelton route, would be that they would get the mail twelve hours sooner, and would get to the railroad sooner when they traveled east?—A. Yes, sir; it is cheaper to get out. They would get to the railroad farther east.

By Mr. STOWELL:

Q. It is the shorter route?—A. The time is about the same—simply the difference in the travel on the railroad. They are calculated to be three days from Boise to the railroad, by either route. It is about the same time.

By the CHAIRMAN:

Q. That service, from Boise City to Winnemucca, is how many times a week?—A. Six or seven times, by both routes.

Q. I will ask you about the route from Oroville to Portland, Oregon?—A. There was a route, in 1870, that used to run that way.

Q. Whose route was that?—A. Previous to 1870 Jesse D. Carr had the route. In 1870 it was let to Bradley Barlow. Oroville is twenty-eight miles north of Sacramento.

Q. What is the distance over that route from Oroville to Portland, Oregon?—A. Five hundred and sixty-six miles.

Q. Do you know what the compensation of that route was?

The WITNESS. At what time?

The CHAIRMAN. From 1870, after Barlow took it.

A. The original contract was \$134,000.

Q. Do you mean by "original," when the contract was made?—A. When he took the contract. He took it at \$134,000.

By Mr. CANNON:

Q. How often?—A. Seven times a week.

By the CHAIRMAN:

Q. Was that service increased at any time, or the pay increased?—A. The service was not increased. It was seven times a week; that is as much as you can get on a stage-route.

Q. Was there any increase of pay on that route to Barlow?—A. Yes, sir; there was, while he had it.

Q. Please state what that was.—A. There was an allowance of \$45,945.

Q. What was that for?—A. That was for increase of speed—what is called "expedited service."

Q. Please explain to the committee how that comes in this particular case?—A. The original schedule of that route, I think, was to run through in five days. I am speaking of

the mail-schedule. They have a different schedule in summer from winter. The railroad then was complete up to a place called Tehama, fifty miles north of Oroville. The schedule was shortened to four days fourteen hours, on account of taking off the fifty miles; and Tehama was made the head of the route instead of Oroville.

Q. Do you remember what the pay on the route was for that distance, and expedited service?—A. That was cut off the stage-line and put on the cars. The railroad-track was extended up, and the stage-line shortened up to Tehama. There was no expedition up to that time. That order was made in May, 1871. In May, 1872, the service was expedited from Tehama through, and the schedule reduced from four days fourteen hours to three days, and an allowance made of \$45,945 a year.

Q. What was the pay given on the road for carrying it from Tehama?—A. When they shortened the route fifty miles they cut it off about \$11,000.

Q. They cut off fifty miles and added \$45,945?—A. Yes, sir.

Q. Which made an increase on their original price of \$34,000?—A. About \$34,000; yes, sir.

Q. I will ask you if you did not consider that expediting the service, at the rate of \$45,000 per annum, was extravagant and unnecessary?

The WITNESS. Do you ask my opinion?

The CHAIRMAN. Yes; your opinion.

A. Under the circumstances, I should say it was.

Q. Did you discover, in your investigation, any other matters in regard to that route that were extravagant or unwarranted?—A. General, that is a pretty hard question for a man to answer, what he might consider.

By Mr. McMAHON:

Q. Did you find anything that you reported on or advised against?—A. I found recommendations that I had made in reference to a route, that had not been carried out. That was in reference to the railroad-service.

Q. What was that?—A. That was the extension of the railroad on either end of this route.

Q. That is number 14473, is it not?—A. That is the number.

Q. What was the name of the man who had this prior to Barlow?—A. Jesse D. Carr.

Q. To whom was the contract let?—A. The contract was originally let to a man by the name of Theodore Lee, I think.

Q. Of Salt Lake City?—A. Yes, sir.

Q. He was the lowest bidder, I believe?—A. Yes, sir.

Q. We had a report here of yours, that covers that matter, I think. You made a report recently to Mr. Woodward, did you not?—A. Yes, sir; I did.

Mr. McMAHON read the report, as follows:

“POST-OFFICE DEPARTMENT,
OFFICE OF SPECIAL AGENT,
Washington, March 2, 1876.

“Hon. P. H. WOODWARD,

“Chief Special Agent Post-Office Department, Washington, D. C.:

“SIR: In accordance with your instructions I proceeded to investigate with Captain H. C. Hopkins, special agent Post-Office Department, all matters pertaining to contracts on routes herein named, and beg leave to submit the following report of the facts as ascertained by us.

“Route No. 14773 from Oroville to Portland, Oregon, was let under contract, October 13, 1870, to Bradly Barlow, for \$134,000 per annum. Service to commence not later than December 1, 1870. This route had been advertised under general advertisement of October, 1869, and the contract let to one Theodore Lee, of Salt Lake City, who was the lowest bidder, his bid being \$75,000 per year. It does not appear that Lee ever commenced service, but the mail was carried by the old contractor at \$700 per day until September 7, 1870, when the contract was let to Hill Beachy, on the bid of C. C. Beekman, for the sum of \$158,000, but never commenced service himself, but service was recognized to J. D. Carr on that bid until October 12, 1870, on which day Hill Beachy asked to be released from his bid or contract, which was done, and contract ordered made with Bradly Barlow as above stated. We find a letter signed by Bradly Barlow under date of October 13, saying that he will take the contract on those terms. In connection with this order to let the contract to Barlow we find a protest of C. M. Cartwright, a bidder at \$175, who was willing to perform the service, and claimed the contract, and protesting against the manner of the letting the contract to Barlow, and for that length of time, to wit, to June 30, 1874. We find no authority of law for letting the contract for that length of time.

“We find that, at and before the letting of the contract, on October 13, 1870, the Department was in possession of information to the effect that the Oregon and California Railroad was completed from Portland, a distance of fifty-four miles, to Salem, on the line of said route, and, prior to the contract going into effect, was completed to Albany, a distance of eighty-four miles, and that by January 1 would be completed one hundred miles.

"The Department was notified of these facts by its special agent, as the files show, with recommendations that contract be made with railroad company, and the stage-line correspondingly shortened. Said railroad was built by subsidy from the General Government and was obliged to carry the mail when offered to the company. A memorandum on 'jacket' states that the company declined to carry the mail, but there is nothing to show that the service was ever offered to the company or declined by them. We find in connection with this route that there was advertised at the same time and a contract let on route 14814, from Red Bluff to Yreka, by way of what is known as the Sacramento route, a distance of one hundred and fifty-three miles, once a week, for \$2,576 per annum. Petitions were filed asking that through-mails be sent over that route and the service increased to a daily. Instead of doing which we find that the route was discontinued altogether, but do not find any consent of the contractor to that arrangement.

"On the same day that the service was discontinued on route 14814 and one month's extra pay allowed contractor, the said route was made a part of or side supply of route 14773, and Bradly Barlow allowed \$36,223. Had the service on route 14814 been increased to a daily it would have cost \$18,032. These orders were made May 3, 1871, and to take effect May 8, 1871.

"The great through-mail was sent over this route, hence there was no need of a daily service over that part of route 14773, from Red Bluff to Yreka via Shasta, hence service was reduced on that part of the route and pay curtailed \$17,925; afterward service was increased and \$5,073 allowed; by this arrangement the full pay on the contract was \$157,380, but was curtailed fifty miles by railroad service from Oroville to Tehama, and pay \$11,300.

"After the route was increased by the pay of the \$36,232, as above stated, we find that the service was expedited May 27, 1872, to take effect July 1, 1872.

"We find statements of contractors Sup. E. F. Hooker claiming that the additional expense would be 60 per cent. if time was reduced four days and fourteen hours to three days, but we find no sworn statement from any one as to the additional expense nor any statements as to the facts except from the contractor and his superintendent.

"Mr. Barlow was allowed the sum of \$45,945 additional per annum for the reduction of schedule from four days fourteen hours to three days on account of the additional expense in men and horses.

"At the time the expedited service was to go into effect the railroad was running from Portland to Eugene, a distance of one hundred and twenty-five miles, and contractor was carrying the mail on the cars, on the north end of the route and from Tehama to Red Bluffs, a distance of thirteen miles, the route having been curtailed to Tehama previously, a distance of fifty, hence the actual distance to be traveled by stage was about three hundred and seventy-six miles against five hundred and sixty-six, the full length of route; hence contractors must have had a surplus of men and stock by reason of the staging being curtailed.

"Then again, by the original schedule, the time or speed over the route was about five miles per hour. Now, allowing the cars to run twenty miles per hour, it would leave the distance to be made by stage at a speed less than six miles per hour, but the facts were that the railroads were being rapidly built on each end of the route, so that in a very short time after the order for expedition was made to go into effect the railroads were advanced so that the speed would be even less by stage than original schedule.

"We find that, on October 11, 1872, E. S. Alexander, special agent Post-Office Department, for California, notified the Department that the cars were running on the south end of the route to Redding, a distance of forty-seven miles, and that the mails were being carried thereon; that by reason thereof there was too much work for the present route-agents to do, and asked for another to be appointed and the contract for carrying the mail be let to the railroad company, or their route or service be extended to Redding from Tehama.

"The route-agent was appointed and went to work, but contract was not offered to railroad company, as we can find. This railroad on south end, the California and Oregon, was also built by subsidy from General Government.

"In all this matter you will understand that as the railroad was advanced on either end of route 14773 the stages run only to end of track.

"I inclose a rough sketch for your information, showing the route in question."

Q. That is your report on route No. 14473. Was there any reduction made in the pay of this stage company, from the beginning to the end, when these mails were being carried on part of their original line by the railroad company? Were they still paid according to the original contract-price?—A. No, sir; their pay was cut off from Oroville to Tehama.

Q. So much per mile?—A. Yes, sir; pro rata.

Q. Was it ever cut off at the north end at all?—A. No, sir; it was not cut off.

Q. How much of the railroad was completed at the north end during his contract?—A. Two hundred miles.

Q. How near to the railroad was the stage-route? They must have been running parallel, substantially?—A. There would be only two offices left out, I think.

Q. When was the railroad completed two hundred miles south of Portland?—A. My impression is that the railroad got to Roseburg at the end of the road. I do not know whether it was in the fall of 1873 or 1874; I could not tell you.

Q. It was either the one or the other?—A. Yes, sir.

Q. Do you know whether the mail is being now carried on the stage-line south from Portland?—A. No, sir; when the new contract was let in 1874 the mail was carried on the cars from Portland to Roseburg and from Redding to Sacramento. It leaves two hundred and sixty miles of stage-route across.

Q. In expediting their service was it taken into account at all that their length of line was shortened by this railroad intervention, or was it just simply expedited on their original idea that they were running the whole line?—A. Well, sir; I do not know what idea they had.

Q. As a matter of fact, they could make it in less time without any increase of speed of their stock, and yet were receiving pay for expedition; is not that the fact?—A. No, sir; that is not correct, at the time the expedition was made. At the time the expedition was made, as I stated in that paper, the speed would be for the distance between the railroads. The speed was increased, I think, about a mile on the hour.

Q. How was it afterward?—A. That fall, or the next spring, the railroads were completed so that the speed would be just about the same.

Q. The expediting of the service was the same, then. There was no reduction made in that to Barlow, was there?

■ The WITNESS. Deduction of pay afterward?

Mr. McMAHON. Yes, sir.

A. No, sir; not that I know of.

Q. Who has that stage-route now?—A. Barlow controls it.

Q. Under a new letting?—A. Yes, sir.

Q. How many miles is that?—A. Two hundred and sixty.

Q. What price?—A. I think somewhere about \$70,000.

Q. How many times a week?—A. Seven times a week.

Q. How far is that from the coast.

The WITNESS. That route?

Mr. McMAHON. Yes, sir.

● A. Well, it runs, some places more, and some places less. It is on the old emigrant road, between the Coast and Cascade range of mountains.

By the CHAIRMAN:

Q. It is up by Shasta Butte?—A. Yes, sir; it runs by Yreka, and goes down to what is called the head-waters of the Sacramento River.

By Mr. McMAHON:

Q. Does this report you made to Mr. Woodward, which we have here, detail what you found improper, in your judgement, on this route, No. 14473?—A. Yes, sir; I think that is everything that I found.

Q. Did you investigate anything from 1874 to the present time on Barlow's route as it now stands?—A. Not in detail.

Q. Did you make any other report on the present route or present contract?—A. No, sir; I have not made any.

Q. Are you examining with a view to making one?—A. I am not at present; I have been very busy on other matters.

Q. Have you examined it with a view to making a report on it?—A. I have looked over the papers a little to get a general idea.

Q. Did you arrive at any conclusion—at anything definite in your own mind in regard to it?—A. I have found nothing wrong about it so far.

Q. Now I will go on and read the remainder of your report in regard to route No. 16662. "Route 16662, from Kelton to The Dalles, was let to one Theodore Lee for the sum of \$75,000, the lowest bidder. It does not appear that Lee ever commenced service, but the mail was carried by old contractor until August 15, 1870, when a proposition was made by Parker Tuller and Barlow to carry the mail on the bid of Hill Beachy, for the sum of \$192,000, and a contract was made with them at that sum on the — day of —, 1870. We find the bid of James W. Parker, one of the parties above named, for the service at \$98,500, which it does not appear was ever withdrawn. We find that service was increased from six to seven times per week on the 18th day of May, 1871, and allowance of \$32,000 per annum for the same. This was done without the advice of the agents of the Department who were well acquainted with the service, and in my opinion was wholly unnecessary and unwarranted by the facts and demands of the country.

"The service is still seven times per week, while the great through-mails to Oregon and Washington Territory do not go by that route, and in fact has no connection with any route to Portland that runs seven times per week, and the only places of any importance on the route are Boise City and Walla-Walla, and I believe the people, after a six-times-a-week service was fully established, would be better satisfied with that than a seven-times service, as it would give the postmasters along the route a little rest on Sunday.

"Formerly there was a daily service through Oregon, but for the past year it has only been six times, and I believe the people like it much better. It would save an expense to the Government of about \$20,000 per year and still pay contractors well and accommodate

the public with all the mail-service the business of the people demands. We find an endorsement on jacket showing that Department was advised that contractors were running a daily line of stages from Cayuse via Pendleton and Meadowville to Umatilla, yet Department allowed contractors \$5,000 per annum for said service, making their full pay \$229,000 per annum; when the facts were, there was no other way to get from Cayuse to Umatilla except by Pendleton, and the stages had to go that way and always have since the stages run through that country. We find statement on file in relation to agents of contractors burning a large amount of paper mail at Raft River station on the route, but do not find that any action was taken by Department against contractors on account thereof.

"I have the honor to be, very respectfully, your obedient servant,

"J. B. UNDERWOOD,

"Special Agent, Post-Office Department."

Q. I see that Hopkins's name is mentioned with yours in that report; did he unite with you in the conclusions to which you came?—A. He was detailed to go to Pennsylvania on some business when I made the report, and he never saw that report until to-day.

Q. The reason I ask is that I notice you use the word "we" sometimes.—A. Yes, sir; we were together. I read the report over to him, and he consented to it; he did not object to it, at least.

Q. It meets his approval?—A. That is my understanding, that he approved of it. Mr. Hopkins was originally on that work, when I came to this place here, and I was ordered by Mr. Woodward to go in and assist him. He was the original agent. At the time I made this report he had some depredation cases in Pennsylvania, and was sent up there before I got the report made up.

By Mr. AINSWORTH:

Q. But not before you made the examination?—A. O, no, sir.

By Mr. McMAHON:

Q. In a statement in regard to the Horseshoe contract, I think you said you made an investigation up to the termination of your territory; what was that point?—A. Spokane Bridge.

Q. Under whose observation would the balance of that route come?—A. I do not know; I think no agent would go up there if he could get rid of it. I do not think anybody had charge of it particularly. I do not think anybody had this district as a specialty.

Q. About how much of that Horseshoe route lay out of your district?—A. Considerable; over half of it, I think.

Q. Your distance was over two hundred miles, was it?—A. I think one hundred and forty or one hundred and sixty miles; somewhere along there.

Q. Do you know of any agent ever having gone up into that country to investigate as to the importance or the necessity of that route, or the value of it?—A. I do not know of my own knowledge.

Q. Have you any information from other reliable parties?—A. I met an agent who said that he had been out, or was going out there to see about it.

Q. What was his name?—A. His name was McDonald, or McDowell. He was formerly a special agent. Dowell, I think his name was, or McDowell.

Q. Is he in the Department now?—A. I do not know whether he is or not; I have not seen him since I have been here this time. His name is not on the printed list of special agents.

Q. Are you able to tell, from that conversation, whether this was before or after he had been to that country?—A. I met him first at Salt Lake City, when he was going, or at Ogden. He got off the train as I got on, I think. He said he was going up through that country. I never saw him again until I met him here two years ago. I did not have much talk with him; I just asked him how he liked that country.

Q. What did he say about that route?—A. I do not think he made any statement to me about it; I do not remember any.

Q. From your general knowledge of that country, and the knowledge of the country for the one hundred and sixty miles of your territory, what is your judgment about that route, beyond the line of your territory?—A. From the best information I could get at the time at Walla-Walla, I think it was an unnecessary route from Spokane Bridge.

Q. That is, all the way beyond?—A. Around to a place called Jocko, I think.

Q. What about the balance of it?—A. From Jocko to Missoula, my information was that it was settled country, and that it was necessary to have a route there.

Q. Was it necessary to have service as frequently as it was before?

The WITNESS. Three times a week?

Mr. McMAHON. Yes, sir.

A. It was not much out of the way up as far as Spokane. There were some towns up that far; but beyond Spokane I think it was unnecessary.

Q. Have you any information, as a matter of fact, as to whether the service was actually performed?—A. No, sir; I have not.

Q. You do not know anything about it?—A. No, sir.

Q. At these out-of-the-way places, is it not true that the Government is very much at the mercy of the contractor, through his influence over the postmasters and other parties?—A. I do not know how the Government is, but the people are.

Q. The people are at the mercy of the contractors?—A. Yes, sir; I do not know how the Government gets along.

Q. Explain that to us; we want that, because frequently petitions come to us which we suspect are prompted by the influence of these men. Explain the power of these big stage-contractors for carrying the mail, &c., and the influence that they have upon the population with whom they come in contract.—A. In the first place, on one of those large routes through a country like that, for instance, from Kelton to Walla Walla, the bulk of the money that is disbursed in a public way is disbursed through the stage company, for grain, and horses, and hire of men; and they depend more or less upon the stage company. Stage-men are generally pretty liberal men, they get in with the people, and with the class of people who do the talking in a country.

Q. Do they not, as matter of fact, pretty nearly own the country?—A. That is what they consider up through that country, I believe. I do not know whether they do or not.

Q. Now we have had three of these routes of Mr. Barlow's, have we not?—A. I have only spoken in detail of two, and the combination of two routes, 814 and 773.

Q. This Horseshoe is the third one?—A. Yes, sir; that is a route from Spokane and Walla Walla to Missoula. That is owned by Huntley and his crowd.

Q. I want to get from you a statement, from your knowledge and experience not only as a special agent, but as a stage-man, of the persons comprising the Barlow and Huntley party.

The WITNESS. At the present time?

Mr. McMAHON. Yes; at the present time.

A. At the present time, it is C. C. Huntley, S. S. Huntley, a gentleman by the name of Sanderson, and Bradley Barlow.

Q. Have these men other men who bid in their interest, that is, in the interest of the Barlow party, but in their own names, and who have not the means or the stock? In other words, they are straw-men, if there be such a thing. Give us the names of all you can remember.—A. Well, sir, I do not know so much about it, only in the general advertisement of 1873. I know a man by the name of Gorman, that put in some bids for them, I think. That is a very long question you ask, and there are a great many things to it. A man might put in a bid for them, and yet not be able to perform the service himself.

Q. I want the names, simply, of those persons who really were their straw-men, or were expected to take an interest in their contract although not named in it.—A. A. H. Boomer, J. B. Keeney, I think his name is, a man named Gorman, and a man named Church. I am speaking of my understanding; I do not know positively. I know a great many of these men, and have talked with them personally. I never talked with Church. The other men I have talked with.

Q. I want it, not only on these particular routes that we have been speaking of, but any other routes that they have been bidders for, or have recognized service, or temporary service, or anything of the sort.—A. Those are the only men I know, of my own knowledge, that were interested bidders for that crowd.

Q. How many other routes had Bradley Barlow, or the Huntleys, or the parties whose names you have given, in you district, and to your knowledge. It may take you some time to figure them out, and if you want time I will give you until the next meeting to answer that and this other question. All the different Bradley Barlow routes, and other routes you have investigated, besides these reports you have made?—A. There is a route—

Q. You can take time until we meet again, but you can answer now if you are ready.—A. I could not tell you now all the routes. I guess I have a list of them in my room.

Q. Please bring them with you—a list not only of those which appear to be in his name, but which are controlled by him. Then, also, I want you to study out what ones you have investigated and made reports upon.

WASHINGTON, D. C., March 10, 1876.

J. B. UNDERWOOD recalled.

By Mr. CANNON :

Question. When did you first go into the employment of the Department as special agent?

—Answer. I think in 1869.

Q. Your home was in Oregon at that time?—A. Yes, sir.

Q. And has been since?—A. Yes, sir.

Q. And you have been upon duty almost wholly in the Territories and on the Pacific coast?

—A. Yes, sir; mostly. I have been away twice on business, I think, out of my district.

Q. Were you appointed by Mr. Creswell or Mr. Randall, in the first instance?—A. Mr. Creswell.

Q. Upon whose recommendation?—A. I think upon the recommendation of George H. Williams.

Q. Senator from Oregon?—A. He was at that time.

Q. You have spoken of Mr. Moore, postmaster of Walla Walla, and of his removal; did you ever examine the mail from day to day and from week to week so as to have personal knowledge of the amount of mail that passed over the Walla Walla, route to Missoula?—

A. No, sir; I did not, myself.

Q. Did you go to the Post-Office Department and investigate in reference to that matter of the cost per letter, or is what you stated from what Mr. Moore told you?—A. It is from what Mr. Moore told me; I so stated yesterday. That is what Moore told me at the time I was there.

Q. I will ask you if what you know about Mr. Moore's removal and as to the causes thereof from the postmastership at Walla Walla is also from what he told you?—A. Yes, sir; wholly so.

Q. And if you made any statement about the matter in the presence of Mr. Holbrook, about which Holbrook files an affidavit, the correctness of that statement was of course dependent upon the correctness of Moore's statement to you as to the cost of the service there?—A. Yes, sir. I understand that I so stated yesterday. This is on Mr. Moore's information to me.

Q. I will ask you to state if you have examined the papers on file in the Department, if any such exist, showing upon whose recommendation or the causes assigned for the removal of Mr. Moore as postmaster. I am speaking now of the papers in reference to his removal and appointment of his successor.—A. I think Mr. Garfielde, who was Delegate from the Territory at that time—

Q. What I want to know is if you have examined the papers in full.—A. No, sir; I have not. I remember seeing the recommendation of Mr. Garfielde for his removal.

Q. You are not prepared to state whether in fact it appears from the papers he was removed for tampering with registered letters or carelessness in reference to the same?—A. No, sir; I am not. I never examined that point at all.

Q. If that should appear to be the fact, it would somewhat modify your impression that you got from him about his removal, would it not?—A. If that should be the case; of course, if he was removed for anything of the kind, I do not know of it. It may be on the paper, however; I was not in Washington at the time.

Q. What special agent, if any, was sent to investigate these charges against Mr. Moore, if you know?—A. None, to my knowledge.

By the CHAIRMAN:

Q. Would you not be the proper man to investigate such a change?—A. It is customary to do that.

Q. That is what I mean; is it not customary?—A. Yes, sir; it is the custom; but it is not infallible. They change it sometimes, but very seldom. They do sometimes send agents into the districts of other agents.

By Mr. CANNON:

Q. Are you also aware of the fact that there is or is not upon the files of the Post-Office Department a letter or letters from Mr. Moore in which he himself speaks of his removal being made upon charges of tampering with, or being careless about, registered matter, but does not at all assign the reason spoken of in Holbrook's affidavit for his removal?—A. A few days ago I had occasion to look over the papers in the Walla Walla matter, in regard to some matters, and I did see a letter there from, I think, the postmaster at Boise City to the postmaster at Walla Walla, or to Mr. Moore, in which he referred to having made some complaint against somebody about registered matter.

Q. I am asking you if you, yourself are aware of Mr. Moore, the postmaster who was removed, being on record in a letter of that kind?—A. No, sir; I am not.

Q. This service from Kelton to The Dalles was tri-weekly service, was it not?—A. Six times a week.

Q. From Missoula to Walla Walla?—A. That is tri-weekly.

Q. And the increase of service from weekly to tri-weekly was, you thought, unnecessary?—A. Yes, sir; I thought it was unnecessary, and I recommended it to be cut down from three times a week.

Q. It was originally once a week, was it not?—A. That was the understanding before I came into office.

Q. Have you examined the petitions and recommendations on file in the Department upon which that service was increased from once a week to tri-weekly service?—A. I saw the petitions, but I did not open them. I was looking through the papers one day and I saw a

large number of petitions indorsed "Petitions for increase of service" on that route. I did not examine the inside of them. They seemed to be a very large roll of names.

Q. I ask you to state if there is not a very large bundle of papers and recommendations in reference to these two routes about which you made a report dated March 2, 1876, and which was read here yesterday?

The WITNESS. You mean the Oroville and Kelton route?

Mr. CANNON. Yes, sir.

A. Yes, sir; there is.

Q. Did you read them all?

The WITNESS. Did I read them all through?

Mr. CANNON. Yes.

A. No, sir; not in detail.

Q. Hence, your not having read them all through and seen what the petitions and recommendations were and whom they were from, are you prepared to say that the Postmaster-General was not authorized to increase or expedite service as he did from the papers before him?—A. I do not say that he was not. I say that his action in the matter was very strongly backed by Representatives and Senators, and by petitions.

Q. Then, in your evidence in reference to these routes, I do not understand that you propose to impute blame to the Postmaster-General or Second Assistant, but aimed to say that, in your judgment, matters that were done as you stated before were not necessary in fact?—A. That I stated as my opinion.

Q. You do not aim to impute blame to the Department upon the recommendations and allegations that were before it at the time it acted?—A. No, sir; they were very strongly recommended by petition—both the additional contract on the Kelton route and expedited service on the Oroville route. They were strongly asked for.

Q. Are you an attorney by profession?—A. I was formerly, before I went into this business.

Q. Are you familiar with the postal code of 1870, and the changes in 1872, and subsequent to that time, and with the order of the Department in reference to these matters under the different changes, together with the opinions of the Attorneys-General, so that you are perfectly at home as to what the Department was authorized to do under the law?—A. Well, sir, I could not answer that question in full. I try to look up the law and ascertain what it is on all matters that come under my immediate attention, but as to looking out the law that would govern the action of the Department, I cannot say that I am positive in regard to that. We are furnished with what is called the codified laws of the Post-Office Department, and with circulars from the Department as changes are made. I never looked outside of these for any law upon postal matters. I am not furnished with the Statutes at Large.

Q. As a matter of fact, however, there have been various and divers amendments from time to time since 1870?—A. Yes, sir; that is my understanding.

Q. Is it more of an understanding from orders that you have received than from any actual investigation that you have yourself made?—A. Yes, sir; I looked up the statutes somewhat yesterday in reference to the matter. I reported in that report that was read yesterday that I found no authority for letting contracts there for four years. I looked up that statute a little yesterday; also one in reference to a railroad company that was built by Government subsidy being obliged to carry the mail. I found there had been changes in the law in those two, but I had not time to run it through. I based my action in that report on the codified laws of the Post-Office Department.

Q. Did you consult with the Assistant Attorney-General for the Post-Office Department?

The WITNESS. In making up that report?

Mr. CANNON. Yes.

A. No, sir; I did not.

Q. As to what the law was in making the recommendations?—A. No, sir.

Q. You speak of the liability of railways to carry this mail, or rather a duty imposed upon them. Did you find in the law any method by which they could be compelled to carry the mails—this particular road you speak of?—A. I found no penalty.

Q. As a matter of fact, do you know whether they did refuse or not?—A. I do not, to my own knowledge.

Q. Are you aware of the fact, if such a fact exists, that the very matter of the refusal of that railway company spoken of to carry the mail on a portion of the Oroville and Portland route was specially reported to Congress by the Postmaster-General, and legislation asked?—A. I never was aware of it until yesterday. As I was on my way to this committee-room. I met Mr. Creswell, late Postmaster-General, and this subject came up in reference to carrying that mail, and he then informed me that such was the fact. That is all I know about it.

Q. Then, not being aware of all the facts surrounding the action of the Department at the time spoken of in your report, are you prepared to state that the action of the Department was wrong at that time?—A. No, sir; I only formed my conclusions from the papers I found on file bearing upon these particular routes I reported upon. I did not go outside of the papers.

Q. All of which papers you did not examine critically, however, did you?—A. It was my intention to see everything that bore upon the case at all.

Q. You did not sit down and read each of the papers through and compare one paper with another and adjust the whole of them, did you?—A. I looked through the most of them. I did not read all the long petitions, but the most of the orders and ordinary papers connected with the case I looked over.

Q. This whole matter of carrying mails in the Territories has never been a success as a matter of profit to the Department, has it?—A. No, sir; not so far as my knowledge extends. It has not in our country. I suppose you refer to it financially—whether the receipts on the routes pay for carrying the mail.

Mr. CANNON. Certainly

A. There is no route in Oregon or Washington Territory where the receipts would pay for the service.

Q. It has always been the policy of the Government, however, on the frontier and in unsettled portions of the country to furnish mail facilities although it may not be profitable?—

A. Yes, sir; it is sparsely-settled country; made up of mountains and valleys, and, of course, there are high ranges of mountains to get over from one settlement to another, and they need mail facilities the same as if the towns were close together; but it makes very expensive routes.

Q. C. C. Huntley and Bradley Barlow are identical with the Northwestern Stage Company, are they?—A. They are so considered in that country.

Q. That is a company that does a pretty heavy business?—A. Yes, sir; they run that line from Kelton to The Dalles, seven hundred and fifty miles.

Q. It is a pretty expensive matter to make stations and run a line of that kind?—A. Yes, sir; it is an expensive route.

Q. Is there anybody else living along that whole route who has facilities for mail-carrying and who could perform the contract?—A. No, sir; there is only one line through the country.

Q. State if it is not true that a line of that kind depends for its profit partly upon carrying the mail and partly upon doing an express-business as well as carrying passengers, and matters of that kind.—A. A stage-line carries passengers and express-matter, and light freight, what is called express-freight. There would not be business enough to support a line without the mail, however.

Q. Do you know what it costs to maintain a line on those routes, for instance, the Missoula and Walla-Walla, or the Kelton and The Dalles route?—A. The Dalles and Kelton route I could not tell you the exact figures of. The general rule is that they have to have a horse for every mile of road.

Q. Have you set down and made a calculation of the net cost, taking into consideration all the expenditures?—A. I suppose not all the details of it; I could not tell you the exact figures on that route. I might approximately.

Q. State if it is not true that where a route is established with stations and stock, when the party has once established it, he is in a condition, under the law heretofore, to almost dictate terms to the Government for carrying the mail?—A. Under the system of bidding, the way it has heretofore been, a man cannot stock that road and be prepared to carry the mail unless he does it in the summer. He could not prepare himself to carry the mail through that country under any circumstances and enter into contract late in the fall or winter. Often the feed for the stations has to be hauled a great many miles, as it is a wild country and the grass and hay have to be cut on the prairies. Unless he does that in the summer or fall he would have nothing to run a line with in the winter.

Q. Before a man of ordinary business prudence would stock a line of that kind, and make all these preparations of establishing stations, &c., which you speak of, he would have to be satisfied that he would get some mail-contracts, or think he would be able to get them, before he would make the outlay, would he not?—A. There is no one who would establish a line through that country unless he had already had the contract. In the first place it would cost \$150,000 to stock a road, and if he had no mail-contract it would be a very poor investment.

Q. Do you know anybody besides the Northwestern Stage Company ever having attempted to stock the road over the Kelton and The Dalles route or the Missoula and the Walla-Walla route?—A. It was owned by parties before they took it. They never took the route until 1870.

Q. They succeeded the other parties?—A. Yes, sir; and purchased the stock, hay, &c.

Q. I am now speaking of an independent company.

The WITNESS. To run in opposition and stock a route and run a competing line?

Mr. CANNON. Yes.

A. No, sir.

Q. That would be a species of business folly, would it not?—A. O, yes.

Q. On one of these routes, you stated yesterday that \$125,000 would be a reasonable compensation per annum for doing the service?—A. Yes, sir; that is, on the Kelton route. I stated that I thought it was worth that amount to carry that mail across there.

Q. Did you mean to say that for temporary service men could be got to put stock upon

the road and carry the mail at that rate?—A. I spoke of that with reference to a four-years' contract. No man could afford to take a contract at that price for one year, because at the end of that time he would have his stock and he would have to have the same stations as if he was running it for four years.

By Mr. WADDELL :

Q. The increase of service on those routes out there, upon whose recommendation was that made ?

The WITNESS. On which route ?

Mr. WADDELL. The Missoula and Walla-Walla route ; from once a week to tri-weekly.

A. I do not know. I never examined the papers particularly on that route.

Q. You said you examined, a few years ago, some papers in regard to that post-office out there. What was the object of your search ? What other matters were you looking up on the Walla-Walla and Missoula route?—A. I looked through the papers for the purpose of finding this statement that Mr. Moore told me he had made in reference to the expenses on that Missoula route. I was looking for that statement.

Q. Did you find it?—A. I did not.

By Mr. WALKER :

Q. Were there any other bidders except this Northwestern Stage Company, on these routes in 1870, not in their interest?—A. O, yes; I think so. I know of one that was a bidder that was not in their interest—two, I think.

Q. What was the amount of their bid?—A. I think the bid of Governor Thompson was about \$124,000 on the Kelton and The Dalles route.

Q. Were they responsible bidders?—A. Thompson was ; yes, sir.

Q. His bid was not accepted?—A. No, sir; there was a bid lower than that, I think—\$77,000.

Q. Was that a responsible bid?—A. He failed; I do not know how responsible he was.

Q. Whose bid was that?—A. That was De Lacy's.

Q. Was that in the interest of Huntley?—A. I do not know. The Northwestern Stage Company carried the mail. That is, their stock, stages, drivers, and agents were used just the same while De Lacy was carrying it as at present.

By the CHAIRMAN :

Q. De Lacy carried the mail for the first quarter?—A. Yes, sir; he carried it for one quarter.

By Mr. CANNON :

Q. If Mr. Thompson had got the route—if it had been possible for him to carry the mail at once—would he not have had to make arrangements within a short time ?

The WITNESS. Do you mean in the first award ?

Mr. CANNON. Yes.

A. Thompson is a man of wealth.

Q. If Thompson had got the contract at \$124,000—if his had been the lowest bid, he not having stock on the route—would he not either have had to delay commencing service or have had to make temporary arrangements for the use of the stock that was already on the route?—A. I suppose so.

By the CHAIRMAN :

Q. Could he have made arrangements with them?—A. Yes, sir; he could have done it because his contracts were made in March, and he would have had until the 1st of July to make his arrangements.

By Mr. WALKER :

Q. This is the route that cost \$229,000?—A. This is the route that cost that previously.

By Mr. WADDELL :

Q. Do I understand you to say there was a responsible bidder at \$77,000?—A. No, sir; De Lacy got the contract, but failed.

Q. But you say Thompson was responsible, and made the bid at \$124,000?—A. Yes, sir.

By Mr. WALKER :

Q. Has De Lacy been bidding in the interest of Huntley and Barlow, according to your understanding?—A. I do not know anything about it. I never saw De Lacy but once. I do not know what his arrangements were and I never talked with him about it. Mr. De Lacy's bid on that route was \$67,900.

By Mr. CANNON :

Q. Do you know whether Mr. Thompson offered or was willing to perform temporary service on that route after De Lacy failed?—A. No, sir; he could not do it.

Q. As a business venture, he could not afford to do it, and would not do it?—A. No, sir; not at that time of the year. He told me so, at least. This man failed in November. It was too late for anybody to put any service on.

Q. Even if it had been in the spring he could not have afforded to put on temporary service, could he?—A. No, sir; unless he had a four-years' contract.

By Mr. WADDELL:

Q. You do not know that De Lacey had any connection with the stage company at all?—A. I do not know.

Q. Have you heard that he had? Have you any reason to believe that he had?—A. Of course I have heard a great deal of talk in that country about it—general talk. There is this about it, the company did not change hands. These drivers, hostlers, and agents all along the road were retained when De Lacy carried it. It was all run in the same name, the stages and everything.

By the CHAIRMAN:

Q. What was the date that the contract was thrown up?—A. About the 1st of November, 1874. He entered into a contract to commence the 1st of July, 1874, and he run it until some time in October or the 1st of November. I met him at Union, near Walla-Walla, in November, 1874, and he told me then that he had thrown up the contract. That is the only time I ever saw him.

Q. The temporary service was entered into with Barlow or Huntley, or whoever has the route?—A. The Northwestern Stage Company.

Q. Those are the men, are they?—A. Yes, sir; Barlow & Huntley.

Q. How long was temporary service let to them?—A. I do not know.

Q. Six months, I suppose?—A. No, sir; it was not that long. Up until the 1st of January, I think.

By the CHAIRMAN:

Q. The route was re-advertised up to the 1st of January, 1875?—A. No, sir; it was never re-advertised.

Q. What kind of service was continued on it?—A. It went back to the next bidder above, under the law.

Q. Was the Northwestern Stage Company the next bidder above De Lacy?—A. I do not know who were the next bidders above him. There were a good many bids in on it.

Q. What was the amount of the Northwestern Stage Company's bid?—A. They had no bid in the name of the Northwestern Stage Company. They bid as individuals.

Q. You say they went back up the list of bids. Whose bids did they go back to?—A. I think his name was Bradbury.

Q. Did Bradbury take the contract?—A. The Northwestern Stage Company did. They are carrying it, at least.

Q. Carrying it for Bradbury?—A. I think so. I think Bradberry is the man.

Q. How did they get possession of Bradbury's bid?—A. I could not say.

Q. Do you know who Bradberry is?—A. No, sir; I never saw the gentleman.

Q. You do not know who he is?—A. No, sir.

Q. Was Bradbury's bid lower than Thompson's?—A. No, sir.

Q. Thompson's, then, would have been a bid before Bradbury's, would it not?—A. Yes, sir; if he had performed the service. Thompson's bid was, I think, about \$124,000.

The CHAIRMAN. Was Thompson notified?—A. I do not know whether he was or not.

Q. He talked to you about it. Did he say he had been notified?—A. Yes, sir; that is my understanding, that he had been notified.

Q. Of the failure of De Lacy?—A. Yes, sir.

Q. From your general knowledge of the way in which that mail route was left, and your general knowledge of the operations of this Northwestern Stage Company, do you not think that those lower bids were in the interest of Barlow & Co.?

The WITNESS. Is that my opinion?

The CHAIRMAN. Yes.

A. There are a great many of their men who are bidders.

Q. Do you know that they were their men?—A. I know of men who have told me that they had bid on it, who were their agents and stage-drivers.

Q. How many bidders of that character of men?—A. Some three or four or five.

Q. They told you they bid on the route?—A. Yes, sir.

Q. They were ranging above De Lacy's bid?—A. Yes, sir.

Q. You spoke in answer to one of Mr. Cannon's questions a while ago, of the system of bidding. What did you mean by that expression?—A. As I understand the regulations of the Department, when a man has a contract awarded to him and is the lowest bidder, if he fails, they then turn to the next man above, and so on, until they come to the man that gets it. That is a regulation or rule or law. Any man has a right to decline, I suppose, after the contract is awarded.

Q. You spoke in answer to a question of Mr. Cannon's, in regard to a roll of petitions that you found in the Department for the establishment of this mail-route or increase of service; did you examine those petitions?—A. No, sir; I did not.

Q. Have you ever examined them to see whether they were genuine petitions from that

country?—A. No, sir; they were in the jacket, in the Department. I was looking for some other papers and saw the labels on them.

Q. Have you ever examined any petitions from that country to ascertain whether the people signed petitions in fact or whether they were signed by somebody else?—A. I never examined any petitions with that view at all.

Q. Have you ever heard the people there say that they did not sign petitions that have been filed in the Department?—A. No, sir; I never have.

Q. You did not examine into that at all?—A. No, sir.

Q. You speak of its having been the policy of the Government to furnish mail facilities to the unsettled Territory. I suppose you allude to the general policy. Mr. Cannon asked you if it was not the policy of the Government to do that and you answered that it was.—A. No, sir. I do not understand that I answered just in that shape, as to the unsettled portions. There are no mail-contracts in our country for the unsettled portions. I said the Territory was made up of valleys and mountains, and there were often settlements at a considerable distance from each other, which took long lines over those routes.

Q. Is it not your judgment, as a practical man and an official looking to the establishment of mail facilities throughout the country that come under your official supervision, that the policy of the Government has been to establish mails very frequently where they are not needed?—A. There are some established where they are not needed, but not frequently.

Q. Then there were exceptions to the policy of establishing them where they were needed?—A. Some of them I did not consider necessary.

Q. You considered that route from Kelton to the railroad as one of them—from Boise City?—A. No, sir; that was highly necessary at the time it was established, but I claim that it is not necessary now and has not been for the last two years.

Q. Including mail-route from Winnemucca to Boise City?—A. Yes, sir; it was the great mail-line that took the mail to Washington and Oregon at the time it was established.

Q. You were talking about passenger-travel on the road. What would be the amount of passenger-travel through one of these stage-lines from the railroad to Boise City on the Kelton and The Dalles routes, between those points?—A. I have no means of knowing. The stages sometimes go through with no passengers and sometimes with three or four.

Q. It was Mr. Creswell, late Postmaster-General, who informed you about having written a letter to Congress calling attention to the necessity for further legislation in regard to those railroads?—A. Yes, sir.

Q. Where did you meet him?—A. I met him in the Post-Office Department yesterday as I was coming out.

Q. Did he call your attention to the fact?—A. I do not remember who did introduce the subject.

Q. How did he happen to speak to you about it?—A. I think he said, "I understand you think that that company ought to have taken the mail," or something of the kind, "that it was not offered to them. "It was offered to them and they refused to carry it." I told him that I could not find any papers to that effect. He said it was offered to them and that he notified Mr. Holliday, the president of the company personally.

Q. Did he say he had seen your report?—A. No, sir; he did not say.

Q. He said he understood about it?—A. Yes, sir.

By Mr. LUTTRELL:

Q. Do you know of the employes of Barlow & Co. putting in bids for that line from Redding to Roseburgh, within the last two or three years?—A. Yes, sir.

Q. Do you know whether that company has changed hands or not within the last four, five, or six years? Barlow & Co. are still carrying the mail, are they not?—A. Yes, sir; they are still carrying it.

Q. Do you know one J. P. Goddard?—A. I do not know him.

By Mr. MILLER:

Q. On the route from Kelton, by the way of Walla-Walla to Umatilla, you recommend the abandonment of that portion between Kelton and Boise City?—A. Yes, sir.

Q. I understood you to say that eastern mails would reach Boise City, in case of such abandonment, twelve hours later than they do now?—Yes, sir; about twelve hours.

Q. Would not, then, all the mails going north to Walla-Walla and Umatilla be twelve hours later for that whole region of country?—A. Of course they would be twelve hours late if they go through on that route.

Q. Do not all the mails for that northern region of country—Boise City and Walla-Walla—all the mails coming from the East, go over this route from Kelton to Boise City?—A. Yes, sir.

Q. And all the eastward passenger-travel comes over that route?—A. Most of it, yes, sir; for Walla-Walla.

Q. So that whether it was a matter of economy or not, it was a matter of great convenience to the citizens of Boise City and Walla-Walla, and this whole region north, to have this route continued from Kelton to Boise City without any break?—A. It is a convenience to the people of Boise City.

Q. They have earlier mails and convenience for traveling?—A. Yes, sir. If there were no mails going through there, of course there would be no travel.

Q. You spoke in your testimony yesterday of \$5,000 additional being allowed this company for carrying the mails from Cayuse through Pendleton and Meadowville to Umatilla?

—A. Yes, sir.

Q. Repeat the principal points on the route in the advertisement.—A. The route runs to Cayuse, Walla-Walla, and Umatilla. Of course there are a great many little offices.

Q. The stages run from Boise City to Cayuse, and as they come back from Cayuse to Walla-Walla they supply the post-offices at Pendleton and at Meadowville that were not named in the original advertisement, and were allowed \$5,000 a year for that?—A. Yes, sir.

Q. Now, as it appears on the map, they go a long way out of their way from Walla-Walla to Umatilla to go back and supply these offices at Pendleton and Meadowville. I see a point on the river at Wallula; would it not be much nearer from Walla-Walla, via Wallula, to Umatilla, than to come back to Cayuse and supply these offices of Pendleton and Meadowville?—A. Yes, sir; much nearer, if they could get through.

Q. Is there not a continuous stage-line to Wallula and the river?—A. Not now; there is a railroad; there was a stage-route before.

Q. Do not the steamboats run from Wallula to Umatilla nine months in the year almost?

—A. Hardly nine months; I suppose about six or seven months. It depends very much on the seasons.

Q. Of course, when the boats run, the mail could be carried that way?—A. The boats run only three times a week from The Dalles to Wallula.

Q. Were there no means of communication from Wallula to Umatilla except by the river?—A. Yes, sir; there is a sort of a trail over the rocks there.

Q. They were not obliged to go by the stage; they could carry the mail on horseback if they chose?—A. Yes, sir; their contract was only to carry it with certainty, security, and celerity.

Q. They claim, whether rightly or not, that they were not obliged actually to supply Meadowville and Pendleton by the contract, and were awarded \$5,000 because they did it?

—A. Yes, sir; that is it.

WASHINGTON, *March 10, 1876.*

NICHOLAS CALLAN recalled.

By Mr. CANNON:

Question. What did you state about your being acquainted with Reynolds?—Answer. I am not acquainted with him.

Q. What did you state about a man who purported to be Mr. Reynolds?—A. Mr. Kittle told me Reynolds would be there; that he had signed these bonds—his signature was there. In a few minutes a gentleman came in calling himself Reynolds, and said Mr. Kittle had spoken to him about the bonds. And he said, "That is my signature on these bonds." He swore to the bonds and said something to me about sending them to his room. But I did not know Mr. Reynolds and did not send them to his room.

Q. You did not propose to part with the papers?—A. No; not till I was paid for them.

Q. Was Kittle there at the time the man who purported to be Reynolds came in?—A. I am not positive that Kittle was present with Reynolds.

Q. What is your best recollection about it?—A. My best recollection about it is that Kittle was in or about the room; but as to being in the room I am not positive. He was in the neighborhood; had been there, and was about there afterward; but whether he was in at that period, I can't say.

By Mr. MILLER:

Q. Did he tell you where his room was?—A. Yes, sir; he told me on Thirteenth street, a square or two from the Metropolitan horse-cars. I did not pay much attention to the number. It was six or seven hundred and something.

WASHINGTON, *March 14, 1876.*

J. B. UNDERWOOD examined.

By Mr. McMAHON:

Question. State what section of country is embraced in your department as special agent.—Answer. Oregon and Washington Territory. When I was first appointed I had Idaho also. It was taken from me about two years afterward, I think.

Q. Is this Kelton and Boise City route in Idaho? It is entirely in Idaho and south of that?—A. Yes, sir.

Q. Who has charge of Idaho?—A. Mr. Wickiser had until the first of this present year. I think a man named Furey at Omaha has now. I cannot be positive of the date when Idaho was taken out of my department; I think it was 1870 or 1871.

Q. I heard you say a while ago that this other matter of Spokane Bridge was not in your district?—A. My district extends up to Spokane.

Q. What other routes besides those that we have spoken of have this combination of Barlow, Huntley, and others in your territory?—A. I can indicate them on the map and call them off. They control route 42102, from Boise City to Placerville; that is in Idaho. They also control 42107, from Rocky Bar to Atlanta. That route was advertised at once a week; it is twice a week now. Also, 42109, from Silver City to Jordan Valley; I think that has been added to the Winnemucca route. They have also route 43127, in Washington Territory, that has now been cut off; it is now from Walla-Walla to Spokane; it was to Missoula; also, 43128, from Walla-Walla to Lewiston. That is twice a week; it was advertised at six times.

Q. If it is now a black line on the map it is seven times, is it not?—A. My impression is that it is six times. I was up there not long ago. They have also 43129, Walla-Walla to Wallula. They are carrying it on the railroad now. Huntley, I think, has the contract still. It costs a good deal more by rail than it did by stage. There was a great deal of staging there, and it did not cost anything to carry the mail. There is also route 43131. Huntley told me the other day that he did control that route. It runs from Spokane Bridge to Colville.

Q. That appears on this map erased. Do you know anything about that?—A. That is a mistake. The route is now running. There is a fort up there and two companies of soldiers, I think.

Q. How many times a week service is there on that route?—A. I think it is once a week, indicated by a red line on the map.

Q. Does that supply any place but the fort?—A. There is a country more or less settled between these points.

Q. What others have they?—A. They have Roseburgh to Empire City, 44135; that is from the coast up to the railroad that extends from Portland. Myrtle Creek seems to be the terminus of a railroad on the map, but it is not. Roseburgh is. That service was once a week, but it is now three times. Then, also, route 44140, from The Dalles to Boise City, by Canyon City. That is twice a week now; it was but once. It is twice to Canyon and once from there to Boise City. That was let to De Lacey at \$8,500. He failed, and then a contract was made with Huntley at, I think, somewhere about \$11,000.

Q. Do you know of any transaction on the part of the Indian Commissioner or of the Secretary of the Interior, or any other officer here, in relation to those matters that was illegal or improper?—A. Not to my knowledge. I know of information that I have received which I will state on my next examination, if I have an opportunity of examining papers.

Q. How much was the service from The Dalles to Canyon City?—A. It was all once a week over the whole route. It was increased from The Dalles to Canyon City. It is about half the distance, and the increase would be pro rata about \$5,500. I think it is about \$11,000 altogether. They have, also, 44143, from Pendleton to Scott's, through a thickly-settled country. It is a very important route. That was once a week, originally; it is three times a week now.

Q. Here seems to be a route from Canyon City up to Scott's, once a week?—A. Yes; that belongs to them also. It is number 44165. The compensation is \$2,700. It is run on horseback. There is not much mail there. I have never been over the route. There is no town on the route, but there are mining-camps and settlements. There is another route now lately established that runs from Antelope to Heppner's. That is numbered 44158. It is weekly service. Then there is another, numbered 44146, from Union to Wallowa Valley. Originally the compensation on that was \$1,750. There have been some extensions to it since. I do not know just how much.

Q. If it runs from Union it would run in part over the route to Boise City?—A. It does not run that way. It was put over here [indicating on the map] in order to supply Cove, and there is another little post-office called Sandy Ridge in there. Then there is 44149, from Baker City to Sparta, that has been raised to twice a week, I think. It was three times, then came down, and then raised again, and it is now either twice or three times, I do not know which; it was raised about a year and a half ago. Then there is 44151, from Eldorado to Baker City, three times a week. The compensation, I think, is \$987; it is low; there is a good deal of staging. There is also 44152, from Canyon City to Camp McDermott, Nevada. That is once a week. The compensation on that is somewhere about \$5,000. They carry it on horseback. The length of the route is said to be two hundred and forty-five miles; I think there are about two post-offices on it.

Q. Camp McDermott is already supplied, is it not?—A. Yes, sir; by the Boise City and Winnamucca route. Canyon City is also supplied by the Boise City route.

Q. So this route is for the convenience of these two post-offices?—A. Well, there are settlements along the route. I think there have been some other offices established. There is also route 44155, from Umatilla to Pleasant Grove, through Mocksee and Yokamong. That is once a week. The compensation is \$2,475. It is a horse-route.

By Mr. CANNON.

Q. Are not all these routes horse-routes or stage-routes, as they choose to make them?—A. There is no specification in the contract as to how they shall carry the mail. I believe that is all their routes except there are some that we advertised afterward.

By McMAHON :

Q. Who had those routes in the southern part of Oregon from Kirby and Jacksonville to Goose Lake?—A. Different people. Holton and Garrick have the one from Jacksonville to Goose Lake.

Q. Have you figured up the total amount of money that Huntley, Barlow, and Sanderson received on their contracts in that territory?—A. I have not.

Q. You have given us all these routes that Huntley, Barlow, and Sanderson and their men control?—A. Yes, sir; that their crowd control.

Q. Within the last few years what other routes besides these you have testified about have you investigated or examined and reported upon?—A. As to the manner of letting the contracts?

Q. The manner of letting the contracts, performance of service, the remission of fines, or anything of that sort.—A. I have not examined any only those that I have testified to, that I remember of.

Q. This order that you received from the Postmaster-General the other day, to which you referred in your report, was it specially to investigate these particular routes to which you refer in your report, or to investigate Barlow's contracts generally?—A. Well, it was an order that I received from Mr. Woodward, the chief special agent.

By Mr. McMAHON :

Q. Your instructions were to investigate the condition of these routes which did you inspect?—A. These two that I reported upon.

Q. The long routes?—A. Yes, sir; the Portland and Oroville, and from Kelton to The Dalles.

Q. Did you not recommend some action to be taken in reference to the Boise City route?—A. I reported in favor of cutting off this service altogether from Canyon City to Boise City, (I think that is route 14140,) for the reason that the Baker City route supplied that point.

Q. What is the distance between those points?—A. Two hundred and ten miles, I think.

Q. What was the compensation per mile on that route?—A. I think \$28 a mile.

Q. Has that report been filed?—A. Yes, sir; I believe the service is to be cut off to-day. The report was filed a week ago, about.

Q. Prairie City is supplied twice a week, is it?—A. Yes, sir; from Baker City.

Q. How far is it from Baker City to Boise City?—A. I believe about a hundred and twenty-five miles.

Q. I understood you to say that these were the only routes you had investigated?—A. Yes, sir.

Q. Well, now refer again to the Oroville and Portland route. When did you have information that the service on that line had been expedited and the pay increased?—A. I heard a report to that effect in Oregon about the time it occurred; that the schedule had been shortened.

Q. Is it usual for the Department to make orders directing such changes without consulting the agent in charge of that special department?—A. It seems to have been the custom at that time.

By Mr. CANNON :

Q. Is it the custom now under the present Postmaster-General?—A. I do not know. My opinion has not been asked. But I don't know that such orders have been made by Mr. Jewell.

By Mr. McMAHON :

Q. Can the Department here have information of a reliable character about these remote points without consulting and depending on those agents who are on the spot, and whose duty it is to overlook the service?—A. I should think not myself.

Q. As a general thing, do you think that the members of Congress, the Senators, Representatives and Delegates from those points, whose influences might be solicited to secure certain changes, were likely to know as much about the wants and necessities of the country in regard to expedited service and other changes as the agent whose duty it was to examine the matter carefully and systematically?—A. I should think not. I don't think they were acquainted with the actual necessities of the service, or the expense of it, while they might be acquainted with the wants of the people.

Q. Have you ever been consulted at any time by the Department about the remission of any fines or deductions in favor of Huntley, Barlow & Company?—A. No, sir; if any remissions were made they were made without consulting me.

Q. Were you consulted about any increase of compensation or the expediting of the service in their regard?—A. No, sir.

Q. Who is De Lacey?—A. A gentleman that bid on that route. That is all I know about him.

Q. Was he a straw-bidder?—A. I don't know; he took the contract and failed.

Q. What postmaster certified to the sufficiency of his bond, &c?—A. I think the postmaster at Brooklyn, N. Y. I don't remember his name; but I am not positive that I am correct in this. It might have been some other postmaster.

Q. Was De Lacey a man of any means?—A. I don't know, sir.

Q. Had he stock or property of any kind out there?—A. No, sir; not that I know of. He carried the mails in the Government wagons.

Q. What contract was it that he got?—A. From The Dalles to Boise City.

Q. The contract was awarded in his name?—A. Yes, sir; but the old company—the northwestern stages—carried the mails.

Q. It was understood that it was all the same company, was it not?—A. Yes, sir; it was generally understood that it was done for the old company.

By the CHAIRMAN:

Q. Were there any other routes that De Lacey bid on?—A. None that I remember, sir.

Q. Who were Gilmore & Saulsbury?—A. They were stage-men at Salt Lake City.

Q. The same firm as Barlow, Huntley & Co.?—A. I think not, sir.

By Mr. McMAHON:

Q. Have you any other information that will be of service to the committee, to enable the Government to diminish the expenditures on account of this mail-service?—A. I do not know of any at present.

Q. You have not had the time, you say, to go over anything except those routes?—A. No, sir.

Q. Are you about to return to Oregon?—A. Yes, sir; I want to get off to-night, if possible. There is one thing in my statement previously made that I wish to correct. I stated that I did not find any evidence that the Postmaster-General had offered to the railroad company the mail-service from Portland to Eugene City. Since then I did find a letter from the Department to myself, I think, presenting the matter to the president of the railroad company. I did so, and so wrote the Postmaster-General, but that letter was mislaid at the time, and escaped my memory.

Q. What was the purport of that letter?—A. I had written to the Department, calling attention to the fact that the railroad was completed, and that I was informed by the president of the company that they were ready to take the mails. The Department notified me that the compensation would be \$100 per mile, which I reported to the president of the road, and was informed by him that they declined to take it at that price. I communicated that refusal to the Department.

Q. Was that \$100 a mile both ways?—A. It would be really \$100 a mile each way each day, making \$20,000 a year. I could not find that letter on file, and did not remember about writing it until my attention was called to it.

Q. What further communication took place between the Department and that company in regard to carrying the mail on that line?—A. None, sir, that I know of.

Q. How long has it been since you were subpoenaed by this committee?—A. On the 1st of February.

Q. You have been in the city how long?—A. Ever since that time.

Q. Did you come in obedience to the summons of the committee?—A. No, sir; I was in the city at the time.

Q. When did you receive this order from Mr. Woodward?—A. I think after I had been here about a week.

By Mr. CANNON:

Q. Have you been waiting here since February 1 to be examined by this committee?—A. No, sir; not all the time. I was detained by other matters for a portion of the time.

Q. How long have you been waiting in the committee to be examined?—A. I should probably have gone away two weeks ago if I could have been examined before.

Q. This point you now refer to, where the mails were refused to be carried on the railroad, was a portion of the Oroville and Portland route?—A. Yes, sir. The statement I made was that I could find no evidence that the service had been offered to the railroad company when it was completed; but I have since been convinced that I was mistaken.

Q. You stated that you were not aware that ex-Postmaster-General Creswell had applied to Congress for legislation upon that matter?—A. I did not know it until he stated to me himself the fact.

Q. Were you ever over the route from Boise City to Canyon City?—A. Yes, sir.

Q. When was it established?—A. I cannot say; it is quite an old route from The Dalles to Canyon City.

Q. Was it ever a necessary route from Canyon City to Boise City?—A. It was originally designed that half the mail should go through from Canyon City to Boise City by way of Prairie City and half the other way, by Baker City, three times a week by stage in each

line, and at the time it was started there were settlements along its line and no other way to supply them. I suppose at the time it was started it was necessary.

Q. Now the mining settlements having changed, you think it no longer necessary?—A. Yes, sir.

Q. You spoke of De Lacey not having any horses or stock in those routes, from Kelton to The Dalles; do you know of anybody else except the Northwestern Stage Company that did have stock there?—A. No, sir; not since they took it.

Q. You are satisfied that the Senators and Delegates from the Pacific coast, the members of Congress from those States and the Delegates from the Territories understand pretty well the location and wants of this country in regard to mail-service?—A. Yes, sir; I so stated, I believe.

Q. But I believe you said, also, that you thought they did not understand the cost of the service?—A. Yes, sir.

Q. Why do you think that?—A. Because, principally, their business does not bring them in contact with it.

Q. The information is easily obtained, is it not?—A. They are not men who would be likely to take contracts themselves, and, having no experience in that line, would not be likely to figure on it.

Q. But each particular route, after it is let, is easily ascertained, is it not?—A. Yes, sir; that could be ascertained, of course, what it was let for, but not what it ought to be worth.

Q. You could not tell yourself in those long routes, could you?—A. Not exactly in the longer routes.

Q. Well, you could not on the smaller routes, the horseback routes, could you?—A. I could approximately.

Q. Can you suggest any amendment to the present law by which men can be compelled to bid down to what the service is actually worth?—A. I don't think I could.

Q. You stated in your report that you could find no authority of law for letting the route No. 14773 at \$134,000 for a specified time. Were you aware that there was a joint resolution passed May 5, 1870, giving authority for that?—A. Mr. Creswell told me that there was such a law. I presume that is the resolution he called my attention to.

Q. In this report that you made to Mr. Woodward, the chief special agent of the Department, which report has been published and introduced to the committee, what was the general object in view?—A. Mr. Woodward stated to me that there had been charges of corruption in regard to these routes, and he wanted to know just how the matters stood, so that he could ascertain if there really had been fraudulent transactions, or where mistakes had been made, if any, which might be avoided in future.

Q. You only examined portions of the papers in relation to those routes, I believe you have stated?—A. I did not read the petitions.

Q. Nor the recommendations of the Senators and Representatives?—A. No, sir; they would be a part of the petitions.

Q. Are you prepared to say to the committee now that, from an investigation of all the facts and circumstances that surrounded the Postmaster-General in these transactions, there was any fraud on the part of the Postmaster-General?—A. I did not see anything that showed fraud. I stated my conclusions in my report. I found where I thought mistakes had been made.

Q. Are you absolutely clear that even mistakes were made by him?—A. In my opinion, I certainly think so.

Q. You say that you were never consulted as to fines, reductions, or remissions of fines against Bradley, Barlow & Co.; were you ever consulted as to fines, reductions, or remissions of fines against anybody else?—A. I don't think I ever was.

Q. The fines, reductions, &c., depended upon proofs, did they not?—A. Yes, sir.

Q. That does not come, ordinarily, under your jurisdiction at all, does it?—A. No, sir.

By Mr. McMAHON:

Q. You would be consulted in case the Department suspected fraudulent recommendations, would you not?—A. Yes, sir; I presume so.

By Mr. CANNON:

Q. You also spoke of not being consulted as to increase of service upon different routes; would you regard your judgment as better than the business men on the line, the Senators, and members of Congress on the Pacific slope, and the Delegates from the different Territories, who might recommend changes?—A. I do not suppose it would be any better, having equal opportunities to obtain the knowledge required.

Q. Would it not be a little hazardous to submit the interests of the contractors along the different lines—to submit the entire question, especially where the route runs, as is frequently the case, in the Territories, through sparsely-settled regions—to the special agent, and rely solely upon him when such questions arise; might there not, in fact, be corruption or neglect on the part of the special agent, or might he not be misled at times?—A. I think if such were the case, he would be more likely to report in favor of the contractor than against him; because the contractor is the only person who could corrupt him.

Q. Would it do to discard all other means of knowledge and rely solely upon the special agent?—A. I don't suppose it would in every case.

By Mr. McMAHON :

Q. But the point is that no advice is taken in any form, for or against the contractor.

By Mr. CANNON :

Q. Did you ever have anything to do as special agent out west?—A. Yes, sir; I kept busy all the time nearly.

Q. A pretty hard place, is it?—A. It is now, sir.

Q. Was it heretofore, or did you just sit down quietly and draw your salary?—A. No, sir; I generally traveled over the different routes, examining the various posts of the service on them.

Q. You kept pretty busy, did you?—A. Yes, sir.

Q. Reporting to the Department, writing letters back and forth, receiving orders, and so on?—A. Yes, sir; I corresponded with all the different branches of the Department.

Q. Then the Department did have some use for you out there?—A. Yes, sir.

By Mr. McMAHON :

Q. If the Department had acted on your advice out there, there would have been a great saving to the Government in some cases, would there not; for instance, that Missoula route?—A. Yes, sir; there would have been, undoubtedly.

By Mr. CANNON :

Q. Do you mean to say that you have examined all the recommendations, papers, &c., in regard to the Missoula and Walla-Walla route—all the circumstances under which the Postmaster-General acted at that time?—A. No, sir; I stated that I had information on that point.

Q. Your statement on that point was based on what Moore, the postmaster at Walla-Walla, said, was it not?—A. Yes, sir; principally.

Q. Now, if it should turn out that the Senators, members of Congress, and Delegates should have recommended contrary to your judgment, do you mean to say that it was still the duty of the Department to discard all these sources of information and take your opinion, you having obtained your knowledge from a man who had been turned out for cause?—A. I don't think that I have said anything from which you could infer that I entertained such an idea.

By the CHAIRMAN :

Q. Have you knowledge of anybody else making recommendations of the same character as yours?—A. No, sir; only what Mr. Moore told me he had done.

Q. No one else told you of such recommendations?—A. I heard that Kearney, the marshal of Washington Territory at that time, had written a letter on the subject.

By Mr. CANNON :

Q. Was not his letter written on the other side?—A. I don't know, sir.

By the CHAIRMAN :

Q. Did you ever hear of a man named Fisk writing any letters?—A. I know a man named Fisk, but I—

By Mr. LUTTRELL :

Q. Is not Moore a man of good character and business qualifications?—A. He is so considered, I believe.

Q. A man of good judgment and character?—A. All the people that I have heard talk of Moore give him the best character.

Q. Did not Moore tell you that he had kept a record of the letters passing through his office, and made an estimate showing that it cost the Government nearly \$1,000 for each letter?—A. He did state something to that effect. I forget the exact figures, but it was somewhere in the neighborhood of \$1,000.

Q. He had kept a record of the letters, and ascertained that fact?—A. Yes, sir.

Q. Did you report that to the Postmaster-General?—A. No, sir; he told me he had made this report himself.

By Mr. CANNON :

Q. How many people do you know in Walla-Walla?—A. Well, sir, I know the business men there generally—the prominent business-men.

Q. Did you ever live there?—A. No, sir; but have been there occasionally.

Q. Do you know this man's character for integrity, business character, and qualifications generally among his neighbors and friends there?—A. I do, sir, to some extent.

Q. What do all the people say of him?—A. Well, those with whom I spoke gave him a good character. I cannot say what all the people think. There are some five thousand people in Walla-Walla.

Q. Well, what do any considerable number of his neighbors and friends say about him?
—A. I talked with business men and representative men of the community, and heard his character spoken of as I have stated.

Q. State if you know now that he was turned out of office for tampering with registered mail-matter, and that he had a hearing in person before the Postmaster-General before he was turned out?—A. No, sir; I do not.

Q. Don't you know that he wrote a letter to the Postmaster-General in which he acknowledged that he was turned out on that account, and justified the Postmaster-General for his action?—A. I don't know it except as I have heard it stated here. Some clerk in the Department told me so, I think, yesterday.

By Mr. McMAHON:

Q. Did not Barlow & Co., Huntley, and others engaged in that business out there, have large numbers of men in their employment?—A. Yes, sir; a great many drivers, laborers, &c.

Q. These men are all residents of the Territories, and have votes, do they not?—A. Yes, sir; I think so, generally.

Q. Is it not true that these companies wield heavy political influence, through the number of men they employ, in elections in Oregon and Washington Territories?—A. I think it is generally understood that all the stage-men go one way when they vote.

Q. They generally go one way?—A. Yes, sir.

Q. Is it difficult for these parties to obtain recommendations for expedited service, when it is to the interest of politicians, or even business men, to secure their good will?—A. There is no trouble about getting recommendations at all.

Q. There is nobody there except the special agent to watch over the Government's interest, and protect it from useless expenditures for expediting or increasing the mail-service?—A. There is nobody, I guess, that would take the trouble to do so specially.

Q. Whether the Department follows his recommendations or not, the special agent in those remote parts of the country is in a better position to give information as to the necessity for increased or expedited service than any other person would be likely to be?—A. I think he would have the best facilities for getting at the exact facts of the case.

Q. And if he should report against the increased or expedited service, there would be reason to believe his opinion was honest?—A. Yes, sir.

Q. His inclination for corruption would incline him rather the other way—toward the contractor?—A. Yes, sir; and the special agent would have an inclination under any circumstances to accommodate the contractor, rather than obstruct his business.

By Mr. LUTTRELL:

Q. Are not the reports of that official made to the Department made by a sworn officer, and considered as being made under oath?—A. Yes, sir; the monthly reports are.

Q. When they report the necessity for increased service, such report is made officially as if sworn to?—A. Yes, sir.

Q. And when they report in favor of reduced service, they are also made officially, as if sworn to, are they not?—A. Yes, sir; the same as if made upon affidavit.

Q. These reports, in some instances, have been ignored by the Department, have they not?—A. Yes, sir.

Q. Have you any idea of the amount which would have been saved to the Government if the Department had adopted your request?—A. I have no idea of the total amount; it would have been considerable, however.

Q. Do you know the pay on the Walla-Walla and Missoula route?—A. No, sir.

Q. It is a large amount, is it not; aggregating from seventy-five to one hundred thousand dollars?—A. My impression is from seventy to ninety thousand dollars.

Q. If your suggestions had been carried out on this line there would have been great saving in the expense of it?—A. Yes, sir; I think so.

By Mr. CANNON:

Q. If the service had been discontinued altogether in all these Territories, the saving to this Government would have been still greater, would it not?—A. Yes, sir.

Q. You speak of the political influence of Bradley, Barlow & Co., and the stage companies, as having been enabled to exercise more or less power in securing recommendations for expediting or increasing the service; do I understand you to say that Bradley, Barlow & Co. and others, have influence with the Senators, members of Congress, and Delegates from the different Territories to enable them to secure their aid in making improper recommendations of this character?—A. I did not so state. I stated that it was generally understood that these stage-men all voted one way.

Q. Sometimes one way and sometimes another?—A. I don't know which way they vote; but I speak of current rumor. I am not there on election days.

Q. Mr. McMahon has asked you a question tending to show that if a report was made against the interests of a contractor, in those western Territories, that would necessarily argue honesty on the part of the special agent; suppose, now, that the agent should be corrupt, and conceive a desire to black-mail the contractor, actuated by a desire to obtain money to

suppress the report, or actuated, say, by a feeling of revenge; might not such things occur?
—A. Every man would have a right to form his own opinions of that.

Q. But such things have happened?—A. Special agents may be corrupt as other men, and some may do such things.

By Mr. LUTTRELL:

Q. Did Bradley, Barlow, or Huntley, or any other contractor ever complain of your action in reporting in favor of discontinuing the service or reducing the pay on any of those lines?

The WITNESS. Complain to me?

Mr. LUTTRELL. Complain to you or to anybody else, after your report in favor of reducing or discontinuing the service on any of those routes?—A. I was told at Walla Walla, by somebody, that Huntly was going to see that my head went off. The first time I saw him was at my house, where he called to see me. I was then quite sick. Subsequently he remarked that he wished I had died while I was sick, as it would save him the necessity of causing my head to go off, or some such expression, spoken, as I thought, rather in a joking way.

Q. Was it not a notorious fact, and so stated all over that part of the country, wherever Bradley, Barlow, Huntly, & Co. had a contract, that their endeavor has always been, by some means, to obtain more pay than they were entitled to, by increasing their service, or by other means?—A. There was general talk that they were rather thrifty.

Q. Have you not had more trouble with these men, about increasing their service where it was not necessary, than you had with all the other contractors; have you not had, in fact, a contest with them all the way through?—A. They have the most of the routes. I had more trouble because there are more of them.

By Mr. CANNON:

Q. You had more trouble with them because they had more contracts than anybody else?
—A. Yes, sir.

Q. You have trouble, occasionally, with all contractors?—A. Yes, sir.

Q. They will, as a rule, take advantage of the Government if they can?—A. Yes, sir; as a rule.

Q. You spoke of somebody at Walla Walla having told you that Huntly said he was going to see that your head went off; who was that person?—A. I don't remember now, sir.

Q. Subsequent to that time you had this joking conversation with Mr. Huntly?—A. Yes, sir.

Q. You said, I believe, that you were appointed in 1869, by Mr. Creswell; now if Huntly had wanted your head cut off he has had very poor success, either in Jewell's time or Creswell's in that respect, has he not?—A. I still hold the appointment, sir.

Q. He was not in the Department, was he?—A. No, sir.

By Mr. LUTTRELL:

Q. Did not Huntly have Mr. Moore, the postmaster at Walla Walla, removed, and have a clerk in his office appointed in his place?—A. That was the report. Gorman, his agent there, was the man, and he got the appointment, it is said, through Huntly's influence.

By Mr. CANNON:

Q. Did Gorman ever qualify at all?—A. I do not know. I think he sent on his bond, but I think he never got into the office.

Q. Did not the Department immediately, upon information of the facts, recall his appointment and appoint a wounded soldier, named Smith, to the office; and is it not true that Gorman never did get into it?—A. I have stated that while I believed he forwarded his bonds to the Department, he has never got into the office. Smith was qualified and died in the office. Subsequently his widow was appointed, and I believe still holds the office.

By Mr. LUTTRELL:

Q. Gorman filed his official bond, did he?—A. I so understood it, sir.

Q. And did not the people rise almost *en masse* and protest against Gorman being appointed?—A. I was not at Walla Walla at that time, but heard subsequently a great deal of talk about it. They seemed to be very much dissatisfied.

Q. Was it not regarded as a job on the part of Bradley, Barlow, Huntley & Co., to continue and increase their service in opposition to the protests of Moore, the postmaster at Walla Walla, and yourself? Was it not in fact looked upon as a contest between Moore and yourself on the one part and the stage company on the other?—A. I believe the general opinion was that Moore "lost his head" on the Masoula route.

Q. And when this question between your recommendation for reduction of the service and the attempt of the stage company to continue it came up, was not almost the unanimous voice of the people, outside of the stage company's interest, on your side?—A. Yes, sir; those who talked upon the subject at all. There seemed to be but one opinion in Walla Walla.

Q. And was not that opinion this: if Huntly and the others succeeded it would be continuing a fraud by which the Government would be robbed of a great deal of money?—A. Yes, sir; the route was unnecessary.

By Mr. CANNON :

Q. Right in this same connection, how far is Walla Walla from Washington ?—A. (After a pause.) Something over three thousand miles.

Q. Then without reference to whatever Moore and his friends may have given at Walla Walla, as to the cause of his removal, he was in fact removed at Washington by the Postmaster-General, and either with or without cause presented to him ?—A. Yes, sir.

Q. And the opinion as to the cause of his removal, in Walla Walla, might or might not have been true ?—A. They had no means of knowing positively what charges were made here.

By Mr. LUTTRELL :

Q. Did you know that there was a move on the part of Huntly, Barlow & Co., to get control of the route from Redding to Roseburgh, with a view to getting an increase to \$125,000 a year, and that straw-bids were put in, to continue the route in their service, at the last letting two years ago, by preventing honest bidders like Thompson, Martin, and others from obtaining contracts ?—A. I know the general report.

Q. State, then, the general report.—A. It was about in substance as you have stated. I had several talks with Huntly at the time of the letting. He said he was going to have the run at all hazards.

Q. Do you know the cost of running the route from Redding to Roseburgh ; the two hundred and sixty miles of route ?—A. It is a very expensive line to run, but there is a great deal of travel over it. Tolls are high and food very dear. I suppose from fifty to sixty thousand dollars would be a fair estimate.

Q. There were bidders who offered to carry it for that ?—A. Yes, sir ; some considerably below that. There were bids as low as \$29,000, and from that upward. C. L. Chipman had in a bid at \$13,700 ; Blanchard, \$30,000 ; Tucker's bid was \$29,000 ; Stone, \$38,000 ; Taggart, \$43,400, and so on.

Q. Did not Barlow and Huntley secure powers of attorney from all these parties or the most of them ?—A. Yes, sir ; I think so, with perhaps one exception ; a bid made by Bradbury.

Q. Did not Goddard, who was also a straw-bidder, throw up the contract which he received ; and then was there not a special contract made with Barlow & Co. ?—A. Yes, sir ; I think that was the arrangement.

By Mr. CANNON :

Q. What was Bradbury's first bid ?—A. \$47,700.

Q. Had he any other bids ?—A. I think he had one still higher.

Q. What was it ?—A. I am not positive that I can state it exactly.

Q. Well, how much do you think it was ?—A. Seventy to seventy-five thousand dollars.

Q. Then Bradbury had more bids than one that he controlled ?—A. Yes, sir.

Q. Is it not true that all those men on long routes resort to the same practices ?—A. In some respects, perhaps.

Q. Huntley, Barlow & Co., then, don't stand alone ?—A. I don't know of any man having more than one bid except them.

Q. Bradbury had more than one ?—A. He is interested in that company.

Q. Are all these bids by that same company ?—A. All are interested in it— all the bidders except the Pacific Stage Company, which had in a bid at \$89,000.

Q. What is being paid now ?—A. About \$95,000, I think.

Q. How long did Lacy carry it ?—A. About one quarter, I think, and broke down.

Q. Then temporary service was established ?—A. I don't know. It was carried by the same company.

Q. It was a temporary service, if any, for no other company had the stock. Was anybody else prepared to perform temporary service ?—A. No, sir ; not without previous notice.

Q. It would have taken time to stock the route ?—A. Yes, sir.

Q. Don't you know that when this man failed notice was given to come in and take the route to the next contractor ?—A. The result shows that they were notified.

By Mr. LUTTRELL :

Q. Was it not considered by the public generally that these men were, in nearly all cases, mere straw-bidders for Huntly & Co. ?—A. That was generally understood to be the case, I think.

Q. Did not Goddard well establish the fact that he was their bidder ?

Mr. CANNON. Establish it by whom ?

By Mr. LUTTRELL :

Q. Did they not carry the mail under the Goddard contract, and did not Goddard fail after the money and checks had all been drawn ?—A. It was so reported. I never looked at the record. Governor Thompson told me that it was so.

Q. Thompson was here as an honest bidder, was he not ?—A. Yes, sir.

Q. He only had one bid in the route ?—A. Yes, sir.

WASHINGTON, D. C., March 15, 1876.

S. B. MOREHOUSE sworn and examined.

By the CHAIRMAN :

Question. It is understood by this committee that you were appointed to perform special service in the Post-Office Department some time ago. State when you received that appointment, if you did receive it.

The WITNESS. Do you have reference to my first or second appointment?

Q. State in relation to both.—A. I was first appointed December 14, 1871, and removed July 31, 1873. I was afterwards re-appointed June 1, 1875.

Q. You were sent, during one of those appointments, and I believe it was the last, if I remember the prior testimony, by the orders of some one in the Department, to investigate the Peterson contract, and probably some other matter?—A. Yes, sir.

Q. State from whom you received those orders, and what the orders were.—A. After I was appointed I was ordered to headquarters at New Orleans. Soon after I went there Peterson lost the contract that was let between New Orleans and Vicksburgh. It was given to Counz. A contention then arose between Counz and Peterson in regard to the carrying of the mail. Reports came into the office every few days to me that Peterson was throwing all the obstructions possible in the way of Counz. It was stated to me, by other parties, that Peterson had stipulated with the Vicksburgh Packet Company to pay them the same rates and not carry the mail for Counz that they were getting from him, (Peterson.) I could not, however, trace that to any authentic source—no more than to common report. I went down to visit the boats, as a great deal of complaint came from up the river that they got no mail—that no boats would take the mail. It was very difficult to send mails on what they called straggling boats—that is, Saint Louis packets and Louisville and Cincinnati boats—for the reason that they would not stop at way post-offices, on the route between New Orleans and Vicksburgh, to deliver the mails. There are post-offices every few miles between New Orleans and Vicksburgh, where the packet company always deliver the mail, carrying them regularly. The war went on for some time between Peterson and Counz, and as I thought all the time, and still think, Peterson was throwing all possible obstructions in the way of Counz, in order to get the contract rescinded. He could not make any contract with the boats—the boats would not make any contract with Counz to carry the mail. He sent it up several times on straggling boats—what I mean by straggling boats are those which were not regular boats, which did not belong to the trade, but that only carried mail through to Vicksburgh, and all the way post-offices on the route would receive no mail. The thing went on from worse to worse, and I telegraphed to the Department for instructions what to do in the premises. I don't remember exactly what the answer to my dispatch was. I remember that I asked for instructions to make a special contract with the boats to carry that mail for the time being; that is, with the packet company. As I say, the thing went on for a long time, and finally Mr. Peterson came to me and told me that this man had no facilities at all for carrying the mail, &c., &c., and that the contract properly belonged to him, (Peterson,) and that he (Counz) beat him out of it, and this, and that, and the other thing, and for me to "go slow" in my operations. I paid no attention to anything. I did what I considered my duty in the matter. The thing went on, and finally, after a while, it was arranged satisfactorily to the packet company—some six weeks or two months—the matter was straightened up, and the packet company agreed to carry it. Some time after this, Peterson came to my house one night and said that he wanted to see me.

Q. Where was that, in New Orleans?—A. Yes, sir. I went down to see him, and he said that he wanted me to come around to his house. I asked him what he wanted. He said he wanted to see me. Said I, "Can't you see me here? there is nobody in the room." No, he said, he hadn't time now, but he wanted me to come around to the house; he wanted to have a talk with me. I told him that as soon as I got time probably I would come around. It went on for some time; how long, I don't know. I went around, after some time, to his house, which is on Magazine street, this side of the market. Peterson received me very socially, &c., and appeared to be very friendly. He said, "Now, look here, you want to make money, don't you?" "Why," says I, "most everybody does." "Well, now," says he, "supposing you take an interest with me in my Red River contracts." Said I, "If I was that way inclined, and I was not connected with the Department, I could not do it." He asked why. Said I, "I have not got the pecuniary means to invest in such an enterprise." He said, "Never mind about that: you have got enough. All you have got to do is to keep mum and go slow. I will give you an interest in my Red River contract." He told me the price that he was getting. I didn't like his proposition very well, and I gave him to understand that I was the wrong man that he was talking to; that I wasn't *on* contracts; that I wasn't a contractor. I was assistant superintendent of railway mail-service, and I had charge, I think, of six or eight States and Territories. I told him that, as far as my jurisdiction extended, if the Department instructed me to investigate the affairs of any contractor, no matter who or what he was, I should do so to the letter and report the facts, let the consequences fall where they might.

Q. You say you gave him to understand you were not *on* contracts. Are you now repeating the conversation that took place between you and him?—A. Yes, sir; as near as I can

remember. Shortly after this time, I commenced receiving letters from the Red River country and from Washington, La., and different parts where Peterson's contracts extended over lines, those letters coming from citizens, postmasters, and others, complaining of their getting no mails.

The CHAIRMAN. State what route that was.

A. That was the New Orleans and Red River mail. It was the New Orleans and Red River route—the route from Washington to Evergreen, and up through that part of the country. Those were horse routes. I called Peterson's attention to a great many of these letters. The thing kept going on, and finally, no attention was paid to it, I referred a good many of the letters to the Department here in Washington for their information. I think that it made a special report in regard to these complaints. I went to Washington La., and inquired into the manner of his carrying the mail on these horse-contracts or routes. I found out that it was just about as the people said. I ascertained further that the postmaster's son, Millspaugh, was carrying mails for Peterson.

By Mr. CANNON:

Q. Millspaugh was the postmaster at Washington, La.?—A. Yes, sir. I then, after ascertaining what I desired in regard to those routes, came back to New Orleans, and made a report to the Department, asking for instructions. When I came back, I think there were eight or ten letters there from different people along the routes complaining of not getting any mail, sometimes for a week or ten days, and sometimes longer. I sent a good many of those letters to the Department; I think I sent a package at the time I sent the report. When I returned to New Orleans, shortly afterward, Peterson met me on the sidewalk one time, and stated to me: "Moorhouse, you had better go slow." Says I, "What do you mean?" "Well," says he, "I mean just what I say. You know that there have been agents here, both special agents and route-agents, that haven't lasted long." He said that in just that way. Said he, "The best thing you can do is to attend to your own business." "Now," said I, "Peterson, I tell you what I want you to do with me. I don't want you to come into my office again at all. I want you to keep out of it altogether; and furthermore, I don't want you to have any intercourse with me on the sidewalk or anywhere else, and if you do, you and I may come together. Understand distinctly what I say. I mean every word of it." About this time I received from the Department a list, comprising between 100 and 150 names of fraudulent contractors in different States down there, Louisiana, Texas, Alabama, Mississippi, &c.

By the CHAIRMAN:

Q. Whom did you receive that list from?—A. They were sent to me from the Department. The postmasters had certified to the responsibility of these parties, and the Department wanted me to ascertain why they did so; to ascertain why they certified under their oath of office to the responsibility of these bidders.

Q. Do you mean bidders, or bidders' bonds?—A. The bonds: as to their standing, &c.

Q. You mean their financial standing?—A. Yes, sir; why they certified so and so. I went to work on that. At the same time Colonel Cochran, whom I reported to in the Department, the only one to whom I ever did report, was hurrying me up with depredation cases that I had in charge. I had some twenty-five or thirty of those cases of robbing registered letters. He was, as I say, hurrying me up with that, and the Department was hurrying me up with the other, and between the two I had my hands full for some time. I finally, for the time being, dropped the depredation cases, and went to work on this matter that the Department had referred to me as to the fraudulent mail-contracts, or straw bids, or whatever you might call them. It was necessary to have those as soon as possible, and it took me a long time to get through.

Q. That was previous to the letting out of the contracts in 1875, was it?—A. O, no; this was in 1872. During all this time I would receive letters—all the time I was there; in fact, I received letters complaining of the way in which Peterson was carrying the mail. I didn't receive so many after a while; I had no time, however, to investigate it, because I was too busy on these other matters, and as soon as I got through with the list sent me by the Department in regard to these postmasters who had certified to the solvency of these parties, and had sent my report on to the Department, I then had to go to work on these depredation cases which Colonel Cochran was hurrying me up about, and I had no time to go over Peterson's contracts, which I intended to do the first opportunity that offered. The thing went on in this way for a long time. One day I was in the office of Governor Wellers, the United States commissioner, and a letter was shown to me from Dr. Peterson, saying that Moorhouse would be removed within a couple of weeks. I paid but very little attention to it. I recalled my mind to the threat that he had made toward me and I think that I called on Governor Kellogg in regard to it. He was the one who was instrumental in my appointment, together with some other Senators. Kellogg said that there was nothing against me in the Department, and he didn't think Peterson or anybody else could remove me without a cause, or could get me removed. A short time after this, and I don't know exactly how long, I was ordered to Little Rock, Ark., and about the time that it was stated in Peterson's letter that I would be removed, sure enough I was removed. I came on to Washington and asked Mr. Creswell if there was any charge against me. He said no;

and I think he said that they were making a reduction of the force; I replied that it was mighty strange that they should make a reduction of the force, taking me from Arkansas, where there was no special agent, and none had ever been assigned to duty there until I was, and making a special thing in my case; but that was all the satisfaction I got out of him. The day before or the day after I received notice of my removal, said removal being dated July 31, 1873, I received this letter from the Post-Office Department, written by Colonel Cochran, who is now superintendent of mail depredations, and the only gentleman to whom I reported while I was in the employ of the Department.

Q. Is that a letter in regard to your removal?—A. Yes, sir. It is as follows:

“POST-OFFICE DEPARTMENT,
“OFFICE OF CHIEF OF THE DIVISION OF MAIL DEPREDACTIONS,
“Washington, June 7, 1873.

“MY DEAR SIR: Before this reaches you, you will probably learn that you have been suspended in your special agency by Gen. Warren P. Edgerton, of Little Rock, to take effect on the 1st of July. Why it is I am at a loss to inform you, as I knew nothing of it until directed to make out his orders of appointment and commission. I have heard no complaint against you, and I can bear testimony to your earnest devotion to the interests of the service, but I suppose some influence has been brought to bear more powerful than that which sustained you, and the weaker has had to succumb to the stronger. I regret this very much, but I trust it will be more than made up to you in another direction. I shall be glad to hear from you at any time. I most cordially hope for your success in whatever direction your life may be cast.

“Very sincerely, your obedient servant,

“C. COCHRAN, JR.

“S. B. MOREHOUSE, Esq.,
“Special Agent, &c.”

Q. That terminated your first appointment?—A. Yes, sir; I was then reappointed June 1, 1875, for sixty days. I was on here at Washington, and had an interview with Mr. Woodward, chief of the special agents. I told him I didn't think I was treated fairly while I was special agent, and that my removal was effected through anything but fair means, and I was well satisfied that it was effected through B. H. Peterson, the mail-contractor; and, said I, “I would like to have an opportunity to investigate his routes. If he is carrying them on under the same plan that he was when I was special agent before, it is high time they were looked into.” When I was a special agent there, the route-agents told me that they dare not make any complaint against Peterson in regard to the mails; that if they did they might expect to be removed. They said that he had more influence than all the rest of them put together. That was the remark they made.

Q. That was the way the route-agents spoke?—A. Yes, sir. Mr. Jewell commissioned me for sixty days. They asked me how long it would take to go over the route, and I told them that I didn't know, but that I would do it as soon as possible. They gave me the list, which I have here, from the Department, of the routes which I should go over if I had time. They comprised, probably, fifty routes altogether.

Q. There are some other routes mentioned on that list besides Peterson's?—A. O, yes; Sawyer's routes are here. After I was commissioned I traveled altogether *in cog.* where I was not personally known. I first went to New Orleans, and kept my appointment secret from every one. As soon as I reached New Orleans, I took passage on the steamer Lee for the mouth of the Red River. Going up on the Lee I had a conversation with the route-agent, Mr. Hamilton, whom I had known before when I was special agent. He was a very trustworthy young man—a young man of strict integrity. I could rely, I thought, on anything that he said. During the evening he was down in the mail-room. I went into the mail-room and showed him my commission. He appeared to be glad that I had been reappointed. I did not say anything to him about my business one way or the other. I asked him in regard to the contract that Peterson had from New Orleans to the mouth of the Red River—the tri-weekly contract. “Why,” said he, “The packet company have been carrying this mail for Peterson ever since he obtained the contract, and have been carrying it in connection with the Vicksburgh mail;” and he said that he didn't think that the Vicksburgh Packet Company knew anything about their carrying an extra mail for Peterson from New Orleans to Red River Landing. He said that they had to make so many landings between New Orleans and Vicksburgh, and to handle so many mails, that he didn't think that the packet company knew anything about their carrying Peterson's mails to the mouth of Red River, because all the mails were mixed up together. I then afterwards had an interview with the captain, McDonald, and he appeared to think that there was something wrong somewhere, though where it was he didn't know. He gave Peterson anything but a favorable name. On my arrival at the mouth of Red River, I then struck Peterson's Red River contract.

Q. State what that contract was.—A. He had a contract from the mouth of Red River to Alexandria, eighty-six and one-quarter miles; the compensation was \$16,818.75. He had from Alexandria a contract to Shreveport, one hundred and ninety miles; compensation,

\$27,320.45. When I landed at the mouth of Red River I had to wait for a short time for the stage. I asked some one on the wharf-boat who was the agent. They told me the postmaster. I inquired for postmaster Kingsbury, and he was not there. His deputy was there. I asked the deputy if he was the agent—that is, Peterson's agent. He told me that he was; I don't remember whether I stated Peterson's agent. I asked him if he was stage-agent. He said he was. I asked him what the fare was to Alexandria. He said \$10. I paid him my fare and took his receipt. He was deputy postmaster. He said "Mr. Kingsbury is the agent and I act as agent. We are both agents, and I act as agent when Mr. Peterson is not here." I asked him where he was. A. He said he was in New Orleans.

Q. You don't mean "when Peterson was not there?"—A. I mean when Mr. Kingsbury was not there. Peterson never was there; not, probably, but once in three or six months. I paid my fare and started. It was in the afternoon, about 4 o'clock, that I left there, I think. The driver was a subcontractor. Peterson had subcontracted all of the route from Red River Landing to Alexandria, from Alexandria to Mansfield, and from Mansfield I understood that he carried it in a hack, himself, from there to Shreveport. It is about forty or forty-five miles. This contractor that I started out with from Red River Landing only went as far as Lodi Ridge (Loyd's,) twenty-four miles this side of Alexandria. Peterson had another contractor there, named McGinnis, who took it from Lodi Bridge into Alexandria. He would not give him a contract through. On the road, I asked him what it was worth for carrying that mail. I said, "What does Peterson get for carrying this mail to Alexandria?" He said, "I don't know." I then said to him, "What would you be willing to carry it for clear through, as you now carry it?" He said he would carry it to Alexandria for \$4,500. "But," said he, "there is no use in our trying to get a contract; we have tried it."

Q. Did he state why there was no use?—A. Well, he said he didn't know, but he could not get any contract. He stated that they had sent in bids, but they could not get any contract. This was a daily mail from Red River Landing to Alexandria, and from Alexandria to Shreveport. In traveling along the line with this subcontractor, as he stated himself to be, wherever we stopped between there and Alexandria, the postmasters acted as his agents. So he stated to me. He told me that he was a subcontractor, and we stopped at his place, six miles from Red River Landing, and changed horses, and took supper there. I think his time from the mouth of Red River to Alexandria was six miles an hour, although, as to that, I am not positive; but be it more or less, he never performed the trip in that time. On my arrival at Alexandria, I remained there for three or four days *in cog.*, endeavoring to see what manner he carried the mail from there to Shreveport. By the way, it is a daily mail from the mouth of Red River Landing to Alexandria, and there never was any necessity for it, for the simple reason that three times a week, when the Vicksburgh packet came up with the mails, was the only time that any mail came to Red River Landing; consequently, there was no mail to go from Red River Landing with the exception of a letter or two or three but three times a week. The mail-carrier there told me several times that he went out of there with sometimes only one letter, and sometimes two, and sometimes not any, on what they called off days—the days when the Vicksburgh Packet Company didn't land with their mail.

The CHAIRMAN. And the Vicksburgh Packet Company landed three times a week?—A. Yer, sir; three times a week they delivered the mail there, and whenever they delivered the mail there, and whenever they did not do so, there was no necessity for any mail to be there; there was no mail to go, except a little local mail, and there are only two or three houses at Red River Landing. There is no settlement right at the landing, of any consequence. After I got at Alexandria, I looked around to ascertain Peterson's mode of conveyance from there. It had been a year or more prior to the time that I reached there, since he had carried the mail from Alexandria to Nachitoches, and from Nachitoches to Mansfield, in any other way except on horseback. From Red River Landing to Alexandria he carried it in a hack, but there the hack stopped. I didn't know that until after my arrival at Alexandria. I hired a private conveyance from there to go out and investigate his route. I wanted to look into the contract which he had from Bertrand to Cotile. This Bertrand post-office was on Peterson's farm, right on the bank of the river. There are but very few settlers within two or three miles above or below, with the exception of negro cabins, &c., small settlers. This is on the other side of the swamp, from what is called the Bayou road, from Alexandria to Cotile post-office. There is a swamp that runs along nearly from Alexandria to Cotile post-office. There are two Cotiles; Cotile landing on the river, and Cotile post-office, about five miles from the river. There is a good road extending right along the bayou up to Cotile post-office from Alexandria. The most of the inhabitants live on the other side of the swamp, on the side toward this bayou. This post-office that is established up on the river was established in 1873, and the name of the office was changed to Bertrand in 1874. I was told on the road that Bertrand was Peterson's given name, and that the office was named after him. That office, as I say, is on Peterson's farm, and is there now I suppose. I was told that one reason why the office was established there was, that Peterson made the Department believe it was nearer to Colfax. Where the mail goes across the river at Peterson's post-office, it crosses the river there and goes to Colfax on the other side, and I was told that the reason that the office was changed there, was on account of its being a nearer

route from Alexandria to Colfax. It is a mistake, It is nearer from Cotile post-office than it is from Peterson's farm to Colfax. Consequently, if the mail had been continued right on up to Colfax direct by this Bayou road, when it reached Cotile post-office it would have been nearer there than it was to Colfax from Peterson's farm. Then four-fifths of the people live on the other side of this bayou. I don't think one-fifth of the people live on the other side of the swamp next to the river. If the post-office had been placed there merely for the accommodation of the people, it should have been placed on the other side of the swamp, that is, on the Bayou road, instead of being placed on that side next to the river. But there is no doubt that Peterson wanted it there for his accommodation, to accommodate himself exclusively, and for no one else.

The CHAIRMAN. Was the same compensation made for this, or was it increased?—A. In regard to that, Peterson obtained from the Department a special contract of \$600 a year for carrying that mail from Bertrand post-office to Cotile; that is, carrying it from his farm, where the post-office is situated, to Cotile post-office. At the same time he had this extra compensation of \$600 a year while he carried this mail right along through to Shreveport. He carried the mail from Alexandria to Shreveport. He left a mail at his farm at the post-office. He goes on to Cotile, then to Magitoches and to Mansfield, and then on to Shreveport. But at the same time, as I said, he got an extra compensation of \$600 for carrying this mail from his post-office on to Cotile post-office.

Q. When that was on the direct road to execute his contract to Shreveport?—A. Now, as concerns the direct road, the fact of the business is this: the distance is about the same. He came up on the Bayou road some eight or ten miles; at least I did. He then crossed this swamp, and went up the river to Peterson's post-office, then from there on to Cotile Landing on the river, and from there to Cotile post-office, about five miles. Peterson starts out with his mail from Alexandria, and goes to his post-office with it; he had a contract three times a week, but he carried a daily mail, of course, when he carried any at all.

Q. Where did Bertrand get its mail before that office was established at Bertrand?—A. At Cotile Landing. The post-office at Cotile Landing was abolished and was removed to Peterson's farm, called Sullivan's Landing, and he then had it changed to his name.

Q. How far was it moved, from Cotile Landing down to Bertrand?—A. I should think it was about four or four and a half miles down the river.

Q. Was the service made in the same way at Bertrand as it was made at Cotile Landing? How was Cotile Landing supplied?—A. I think Cotile Landing was supplied by the river mail.

(The witness here explained upon map the position of routes under consideration.)

WITNESS. For carrying the mail from Cotile to Bertrand, Peterson received \$600 extra compensation. It is about nine miles, but he gets paid for twelve miles.

By Mr. CANNON:

Q. Your claim, now, is that on that special route from Bertrand to Cotile he got paid \$600?—A. Yes, sir.

Q. And that he performs the service in connection with the service from Red River Landing without making an extra trip?—A. No; he performs the service from Alexandria. He starts out from Alexandria in the morning with the mail, for instance.

Q. Is not that on the Shreveport route?—A. Yes, sir; on the Shreveport and Alexandria route.

Q. What is the number of the other route from Alexandria to Shreveport?—A. 8067. Then, in addition, Peterson had a man by the name of W. J. Koehn appointed postmaster. He was Peterson's clerk, as I was told. This man never attended to the duties of the office, and he resided in New Orleans.

Q. What was he appointed?—A. Postmaster at Bertrand, Peterson's post-office. Mrs. Stevens was acting postmistress when I was there, and run the office. She said she attended exclusively to the office, and she further stated to me that Koehn, the one who was appointed postmaster, was never there; that he resided in New Orleans.

By Mr. AINSWORTH:

Q. State whether his family lives there.—A. No, sir; there was nobody who lived there except Mr. and Mrs. Stevens. Peterson's brother lived there.

Q. Then she was regularly appointed and qualified as deputy, was she?—A. That is more than I can tell you.

Q. Well, was that your understanding?—A. That was my understanding, that she was appointed deputy. Whether she was qualified or not I don't know. I merely wanted to ascertain, when I was there, how Peterson was running that office, how it was run, for whose interest, &c., and I did, I think, before I left there. Peterson's brother was at work on the farm there, or had been. He left there a few days before I arrived. He was the one who had a half-dozen other contracts. There were several contracts on the Mississippi that were in his name; that is, I was told that Peterson's brother, who had these contracts on the Mississippi River, from Memphis down, was at work on his farm at \$20 a month.

By the CHAIRMAN:

Q. You went over this route that you are speaking of from one end to the other. Did you make a report of it to the Department?—A. Yes, sir; I made a report in full.

By Mr. AINSWORTH :

Q. Did you report the fact that the person acting as postmaster at the point was not a resident of the place ?—A. I reported the facts altogether as they were told me.

By the CHAIRMAN :

Q. Did you report the fact as you have stated to the committee in regard to that establishment of the Bertrand post-office, and the extra compensation for carrying the mails from there to Cotile ?—A. I did ; and I also sent to the Department the affidavits of the postmaster at Cotile post-office, and also that of the postmistress, Mrs. Stevens herself, that there never was any special service performed there ; that there was no service performed at any time, and no other mail ever received or sent to that office excepting the regular through-mail from Alexandria to Shreveport, and from Shreveport to Alexandria. As to this extra compensation of \$600 to Peterson, if there was a post-office at Bertrand established there he would have to carry it any way without any extra compensation, because that was in his contract for carrying the mail from Alexandria to Shreveport. I couldn't go any further than Cotile, for the reason that there was no conveyance. After I got through there I sent, I think, the affidavit of a party who used to keep the contractor's teams on the Bayou route, from Alexandria to Cotile, saying that the mails had come through there very irregularly ; that there was no regularity or system about it one way or the other ; and as regarded Peterson's subcontractors, he never was there to pay any attention to them, or to see whether they were carrying the mails or not. That affidavit is connected with my report. It appeared by the whole management of Peterson there that all he wanted to do was to draw his pay, without any regard to carrying the mail or anything else. The postmaster also stated to me, and I sent on his affidavit to that effect to the Department, that they were saying the mail did not come through to Shreveport in a week and ten days. While at Shreveport four or five days, I was in the office, and paid attention to the mails coming through, and they were generally about three days coming from Alexandria to Shreveport, seventy-two hours, and from that to ninety-six hours. His contract was one hundred and ninety miles ; six trips per week.

Q. Does the contract specify how that mail is to be carried, whether by horse or stage ?—A. I don't know that ; but he commenced in the first to carry it by stage, or by hack. It dropped off, then, and now it is carried by a boy with a pony. It is carried out about ten miles from Alexandria, and whenever there is a heavy mail—a paper-mail, or anything of that kind—when I was there the paper-mail would be left there until they got a light letter-mail, and then it would go on to Shreveport. But the most of the mail that came through there was the local mail, and there was not any necessity for ever establishing any daily mail between Alexandria and Shreveport, for the simple reason that there was a daily mail from New Orleans two ways. From New Orleans there is a daily mail by way of Galveston, and there is also a daily mail by the way of Vicksburgh and Monroe.

By Mr. AINSWORTH :

Q. That would not supply the intermediate points, would it ?—A. No ; but the intermediate points are scarcely settled all through that portion of the country, and the people there that I conversed with—the planters along the route—said they were very well satisfied ; would be perfectly satisfied if they could get a mail three times a week, but they didn't get that very often, and now, since the establishment of the post-office where it was, they being on the other side of the bayou—that is, toward Rapides, where four-fifths live, they said they either went to Alexandria and got their mail, or else to Cotile.

By the CHAIRMAN :

Q. What did you say the compensation was from Alexandria to Shreveport ?—A. \$27,320.45 per annum. The party who carried the mail from Red River Landing, whom I rode with, told me that he and his partner would enter into bonds of good and sufficient security to carry the mail from Red River Landing to Shreveport for \$15,000, and make money by it, because there was only mail three times a week, anyway, although it was a daily mail.

By Mr. CANNON :

Q. Would he carry it three times or six times a week ?—A. I asked him this : " What is it worth to carry the mail from Red River Landing to Shreveport ? " He says, " We will carry it for \$15,000, and give security for the faithful performance of our duties."

Q. You didn't ask him how often ?—A. No ; but I suppose that he meant that often, because a short time before that I asked him what he could afford to carry the mail for from Red River Landing to Alexandria, the way they are carrying it now, and he said, " We will carry it for \$5,000." " Yes," he said, " we will carry it for \$4,500."

Q. You supposed that he meant three times a week ?—A. No ; I supposed that he meant six times a week. If he could carry it from Red River Landing to Alexandria for \$5,000, of course he could carry it, I should suppose, from there for \$10,000 ; but there is very little mail sent from the Landing, excepting when the boats arrive there three times a week.

By the CHAIRMAN :

Q. This all occurred about the time these contracts expired ?—A. I left here 1st of June.

Q. And they expired on the 1st of July?—A. Yes, sir; the postmaster at Shreveport told me that had been the way for the past year that he had carried the mail there. He said, "The mail don't get through sometimes for a week." It has been as high as a week that they have had any mail at all from Alexandria. He says the regular time would be three or four days.

Q. Your report did not arrive at the Department, then, until after that contract expired?—A. No; my report did not arrive at the Department until the 31st of August.

By Mr. LUTTRELL:

Q. Were there any deductions or fines entered against the contractor by the Department?—A. Yes, sir; I think Mr. Jewell fined him \$8,000—\$4,000 at one time and \$4,000 at another time; so I heard. I don't know it of my own knowledge.

Q. Were they ever remitted?—A. No, sir. They tried to get them remitted, but he wouldn't remit them. He wasn't that kind of a man.

By the CHAIRMAN:

Q. Do you know of any fines before Mr. Jewell came in?—A. I don't know anything about it. You see, I have no access to the files of the Department; it is what I hear other parties say in that connection.

Q. What parties did you hear say anything?—A. I can't give you their names.

Q. Was it anybody in the Post-Office Department?—A. I have heard it frequently talked over there and outside, and frequently in my travels, that Peterson's fines were always remitted until Mr. Jewell came into power; that is most of them, or else he was not fined at all.

By Mr. LUTTRELL:

Q. Did you hear any reason assigned for his fines being remitted?—A. A man can hear a great many things.

Q. State what you heard.—A. I heard that it was no trouble for him to get fines remitted, if he wanted to, if he was fined, owing to his influence. Understand me, this was before Mr. Jewell came into power. Peterson told me himself several times that he had the power to make and remake agents, and that he had done it.

By Mr. AINSWORTH:

Q. Well, you began to think that was true about the time you were discharged, did you not?—A. I did indeed. Peterson got me down fine. He got it down to a day or two. About two weeks from the time he said in his letter I would be removed, away I went. I saw a letter that Peterson wrote to New Orleans. He wrote that Morehouse would be removed within two weeks. I think it read that Morehouse would go up the spout in two weeks. I was ordered to Little Rock on duty. I was a little uneasy about it at the time, but after I saw Governor Kellogg I thought there was no danger. I didn't think that he (Peterson) had influence enough to cause it, but, sure enough, in about two weeks from that time I was removed.

Q. Do you know what influence Peterson brought to bear against you?—A. I can't tell that.

Q. You were removed by Mr. Creswell?—A. I was, and at the same time there was a petition sent to Mr. Creswell for me to be re-instated, signed by several Senators, but he wouldn't re-instate me.

Q. Were any charges ever brought against you?—A. None. The petition I spoke of above is as follows:

"WASHINGTON, D. C., December, 1873.

"Hon. JNO. A. J. CRESWELL,

"Postmaster-General:

"We, the undersigned, would most respectfully ask the appointment of Capt. ——— Morehouse, formerly of Louisiana, now of Fort Gibson, Indian Territory, as special agent at large on mail depredations, Post-Office Department, for the Indian and other western Territories.

"J. R. WEST.

"POWELL CLAYTON.

"D. W. DORSEY.

"JOHN A. LOGAN.

"RICHD. J. OGLESBY.

"HENRY WILSON.

"O. P. MORTON."

By Mr. LUTTRELL:

Q. Those were all Senators of the United States at the time?—A. Yes, sir. Mr. Creswell, as I say, refused to re-instate me.

By Mr. AINSWORTH:

Q. That was not the position you had before? You were not agent on mail depredations in the Territories before, were you?—A. My original appointment was assistant superintendent of railway mail-service and special agent Post-Office Department.

Q. Then there was no application for your re-instatement to the position you held before?—A. This was a subordinate position. I didn't ask to be re-instated assistant superintendent of railways and mail-service, but I asked to be re-instated as a special agent of the Department on mail depredations.

Q. Nobody asked that you should be re-instated in your old position?—A. Yes, sir; Senator Wilson told me that he saw him himself about it.

By Mr. LUTTRELL:

Q. I understand you to say that Peterson made his boast that he would have you turned out within two weeks. You were dismissed from the service within two weeks, and this petition was signed by several Senators requesting that you be re-instated?—A. Yes, sir; but this petition was some time afterward. I was dismissed in July, and it was in December that I came on here and got this up.

By Mr. AINSWORTH:

Q. Was there any vacancy in the agencies with reference to the depredations in the Territories at the time that this application of yours was presented to Mr. Creswell?—A. There must have been vacancies, because there were several appointed shortly afterward.

Q. Do you know that there were any vacancies at the time you presented that petition?—A. No; not to my knowledge. There always are vacancies.

Q. Is there anything that prohibits postmasters from receiving fare from passengers?—A. Yes, sir; there is a statute law against it. That is, it prohibits them from acting as an agent for a contractor. They are liable to be removed, and should be removed.

Q. Can you point me to that law?—A. I don't know that I can. I have always been so instructed by the Post-Office authorities—that no postmaster had authority, directly or indirectly, to act as agent for any contractor, and I never saw it done.

Q. I mean with reference to the carrying of the mails?—A. It is this way: If a postmaster, for instance, acts as my agent, of course he is under obligations to me. That is always considered so. There is a general order from the Department on the subject, and I think there is a law to that effect also. At least I have always been instructed wherever I found a postmaster acting anywhere as agent for a contractor to report him, and they would remove him at once.

Q. You have these instructions?—A. Yes, sir.

Q. Please produce them at the next meeting of the committee.—A. I never had any written instructions in that regard; they are only verbal. There is not one postmaster out of a hundred who will ever own that he is acting as agent for a contractor if he can get out of it, unless you catch him at it. In conclusion I will say this: so far as the Postmaster General, Mr. Jewell, his first assistant, Judge Marshall, and the present superintendent of mail depredations, Colonel Cochran, are concerned, I will say I have been acquainted officially and otherwise with the two latter-named gentlemen for between four and five years. Mr. Jewell I have not been acquainted with so long, but I consider those three gentlemen to be men of unimpeachable integrity, and gentlemen who would repel with scorn and reject with contempt any intercourse, directly or indirectly, with any man or set of men unless they were honorable. I believe all three of these men are incapable of doing a dishonest act.

By Mr. LUTTRELL:

Q. What is your opinion of Mr. Creswell?—A. I have nothing to say about him.

Q. Have you ever formed any opinion as to the action of ex-Postmaster-General Creswell at the time of all these transactions, when you were being turned out and Peterson was having so much influence, &c.; did you form or express any opinion?—A. No; I don't know that I ever publicly expressed an opinion.

Q. What was your opinion?—A. I formed an opinion, of course.

Q. What was your opinion?—A. I prefer not to state it.

Q. I ask you, from all your transactions, and the action of Mr. Creswell and the action of Peterson, what your opinion is?

(Objected to by Mr. Ainsworth, and objection sustained.)

Mr. CANNON. I for the first time this morning knew that Mr. Morehouse was to be a witness. He has testified in relation to service upon mail-route 8016. I am not prepared to examine him further in reference to same, unless I have the papers from the Post-Office Department in connection with said route, showing how the service was placed. The witness has also detailed certain matters which came under his observation in reference to this and to route 8067, stating that he made a special report to the Post-Office Department as to same. Before asking witness further questions, I desire to have said report, and request that the chairman of this committee call upon the Postmaster-General for the papers in the one case and the report in the other. I have no doubt those papers can be obtained in two hours' time. If they do not come within reasonable time, I shall ask the committee to report the matter to the House, and see if we cannot have some steps taken in that regard.

Adjourned until 3 p. m.

The committee met pursuant to adjournment, and the examination of the witness S. B. MOREHOUSE was continued, as follows:

By Mr. CANNON:

Question. What time did you go down to Louisiana upon this last occasion?—Answer. I left here about the 1st of June, I think.

Q. Did you go directly to Red River Landing?—A. Yes, sir.

Q. Had you instructions to go to that point?—A. I had.

Q. To look up that route?—A. Yes, sir.

Q. That was the specific route that you were to look up?—A. That was one of the routes; I had several others.

Q. That was the one, however, that you did look up?—A. Yes, sir.

Q. How long did that take you?—A. I don't know; probably ten days or so.

Q. You made your report, however, as to that about the 1st of August?—A. I took memoranda all the time. I kept memoranda of everything.

Q. But the first report that you made, as I understand, was on the 1st of August?—A. Do you mean the first report after I left Washington?

Q. Yes; that was the 1st of August report in reference to the Red River and Shreveport contract?—A. Yes, sir; that was the 1st of August.

Q. Yet you had completed the examination about the 10th day of June?—A. Yes, sir; well, a week or ten days, probably, after I got there.

Q. You had completed it about the 10th or 12th of June?—A. Yes, sir.

Q. Did you not know that contract was to expire on the 30th day of June?—A. No; I didn't understand when it was to expire.

Q. You did not inquire about that?—A. No, I didn't pay much attention to it. All my anxiety was to find out the way that the contract was being carried out.

Q. You did know that the contract expired on the 30th of June, did you not?—A. No, I don't think I did.

Q. If the contract, however, had not been carried out properly for the one, two, three, or four years prior to that time, and that contract expired on the 30th day of June, it was tolerably important to get in that kind of evidence before the expiration of the contract, was it not?—A. I was instructed to make out a general report when I was through.

Q. And to report nothing in the mean time?—A. I reported in the mean time; I sent private communications.

Q. To whom?—A. To the chief of the special agents.

Q. In your official capacity?—A. No, sir.

Q. Not in your official capacity?—A. Yes, sir; in my official capacity, to be sure.

Q. Did you send them to him in his official capacity?—A. They were altogether private, for the simple reason that I did not suppose—in fact, knew that if I should direct anything from Alexandria to the Department, there was about a hundred chances to one as to whether it would ever go through or not. The condition of the Alexandria post-office was such that I did not think it was prudent so to do.

Q. Are those private reports on file here?—A. I don't know whether they are on file or not.

Q. Were they sent for the purpose of being placed on file?—A. Those reports that I sent to him you can't call reports; they were merely memoranda, and I think all of them were written with a lead-pencil, and I put them in the post-office, and, I think, directed them to other parties, so that he could get hold of them, or else I directed them simply to him, with the number and the street where he resides.

Q. You don't know, then, whether you sent these letters to Woodward, or to somebody else to hand to Woodward?—A. O, yes; I know all about it; I know what I did.

Q. You said you were not sure about it; which way did you do?—A. I sent a great many of them—not a great many, because there were not a great many of them, but I sent, I think, two from Alexandria, giving him to understand that the thing was rotten, and we came to an understanding that if I sent him a telegram saying so and so, the whole thing was "as reported."

Q. I want to know when it was that you made a report to the Post-Office Department upon which they could have acted, and upon which it would have been their duty to have acted, in deducting from Peterson's pay upon that and other contracts which were about expiring?—A. That was the 31st of August.

Q. Why did you hold back your report to the 31st of August?—A. Because I was so instructed to make out a general report at that time.

Q. And you now testify that you did not know that Peterson's contract on that very matter which you were investigating expired on the 30th day of June?—A. Well, in fact, I was not paying much attention to when the contract expired, or when it didn't expire. I wasn't after that in particular.

Q. You went down there to try to save the Government some money, if the Government had been imposed on, did you not?—A. I think I did do it, too.

Q. Hadn't he received this pay on this route without reference to your report?—A. I don't know whether he had or not.

Q. Then you don't know whether you saved money to the Government on that route or not?—A. I have a pretty good idea that I did, because his daily contract was cut down right off to tri-weekly.

Q. But it had expired, had it not, before your report reached here?—A. Yes, I suppose that it expired on the 30th of June.

Q. You don't know whether it expired on the 30th of July or the 31st of June?—A. I think all contracts expire in June.

Q. What time in June?—A. The 30th, I suppose, or the 1st.

Q. Then you are not certain as to when they do expire?—A. I think they expire on the 30th of June; I am not certain or positive upon that point, however.

Q. How long have you been connected with the Post-Office Department? Were you ever connected with it before you were a special agent, when you were first employed in 1872?—A. No.

Q. When were these lettings made to Peterson generally, down in that country?—A. I can't tell whether his lettings came under the four or two year contracts. I don't know whether they were made in 1871 or 1872.

Q. You were down in that country in 1872 and 1873?—A. Yes, sir.

Q. Where were you stationed?—A. At New Orleans.

Q. And you don't know when these contracts were let in Louisiana?—A. Those contracts were in vogue when I got there. It was not necessary for me to find out when they were let.

Q. Do you know when the general letting occurred in Louisiana; was it while you were down there in charge?—A. A portion of it was. There was a portion made before I got there. The contract from New Orleans to Vicksburgh was made prior to my arrival. I presume that was made in June.

Q. Was there a general advertisement for mail lettings over all or a portion of the State after you arrived at New Orleans?—A. No, I think not. There might have been over a portion of the State, but not as a general thing.

Q. You spoke of Peterson's offering you an interest in a contract. Did he ever offer to pay you any money?—A. He said there was money in it.

Q. That was shortly after you went down there?—A. Yes, sir.

Q. Did he ever offer to pay you any money otherwise?—A. No, sir.

Q. Did he ever attempt to bribe you otherwise with money or any other valuable thing?—A. No, I don't think he ever did; in fact I know he never did.

Q. Did you ever get any money from him?—A. Not a dollar.

Q. Are you acquainted with Peterson's handwriting?—A. I am not.

Q. You never saw him write?—A. No, sir.

Q. In whose possession was this letter which you saw, which is stated to have been written by Peterson, saying that you would be discharged within a couple of weeks?—A. Mr. Brott.

Q. Who is he?—A. He is a contractor down there who had a contract from New Orleans to the Balize.

Q. Was he a friendly contractor with Peterson or an unfriendly one?—A. I don't know; he was friendly with everybody, I suppose.

Q. I mean was his interest running along with Peterson's, or was it opposed to Peterson's interest?—A. I know nothing about his interest. I could not tell you anything about it.

Q. You don't know whether or not they were rival contractors?—A. I know nothing about it—yes, I do know this: I don't think they were rival contractors.

Q. What did he say the object was in showing you that letter?—A. He didn't say anything in regard to it. That was in the office. He used to come in. In fact he was a distant relative of the clerk of the money-order office, and he was in the office and out sometimes half a dozen times a day.

Q. Was this letter shown to you at your office, or at his office?—A. It was shown to me in the United States court-room, or rather not the United States court-room, but in the room of Governor Wells, United States commissioner.

Q. What have been your habits; have you been a dissipated man?—A. No, sir.

Q. You were not in the habit of imbibing or drinking while you were in New Orleans?—A. Since November 6, 1856, I have not drank anything, to my knowledge, stronger than water, tea, or coffee.

Q. You were not taking stimulants about that time?—A. No, sir; no stimulants of any kind. I have not drank a glass of beer or a glass of wine since the time I have mentioned.

Q. Are you now in the employ of the Post-Office Department?—A. No, sir.

Q. Are you seeking an appointment?—A. No, sir.

Q. Do you know whether there were any charges filed against you in the Department or not?—A. I only know what they told me. They informed me that there never were any.

Q. Mr. Cochran told you that?—A. O, a half dozen told me.

Q. Do you know anything about fines and deductions which were entered up against Peterson, and other contractors there; have you ever examined as to that?—A. I had no means of ascertaining.

Q. Do you know of remissions of fines or proofs upon which they were remitted?—A. That I had no means of ascertaining.

Q. Whether it was properly or improperly done you don't know?—A. I have no means of ascertaining. As to that, that belongs exclusively to the heads of bureaus, and they have not now got the same privileges as they had before Mr. Jewell came around; they have not got now the same facilities for examining the private books and papers of the Department as they had before Mr. Jewell came.

Q. Who has not the same facility?—A. You or anybody else.

Q. Have you tried it?—A. I have.

Q. Both before and since?—A. Both before and since.

By the CHAIRMAN :

Q. You mean to say by that, that Mr. Jewell is much more particular about that than Mr. Creswell was?—A. O, certainly, altogether.

By Mr. CANNON :

Q. That is about letting parties examine the records?—A. Yes, sir; or having anything to say to the clerks.

Q. How as to that?—A. The clerks are strictly ordered to allow no attorney or contractor to have access to the files of the Department.

Q. Did you see the order?—A. Yes, sir.

Q. Who issued the order?—A. The Postmaster-General, Mr. Jewell.

Q. Have you any personal knowledge as to the action of Mr. Creswell in reference to any of Peterson's routes?—A. No, sir; I have no knowledge.

Q. If he acted at all, do you know upon what principles?—A. No, sir.

Q. Do you know upon what recommendations he acted in regard to Peterson's routes?—A. No, certainly not; I could not have had.

Q. Then you cannot tell whether his action was proper or improper, can you?—A. Well, they did not look to me to be very proper.

Q. I am not asking you how it looked to you. Can you say, not knowing upon what he did act, whether his action was proper or improper? That was the question I asked you. Answer that question.—A. I say to you I do not know whether he was acting properly or improperly; that is, so far as knowledge of what his action was based on is concerned.

Q. Did you ever hear any conversation between Peterson and Creswell?—A. I never heard a word.

Q. Do you even know of your own knowledge whether they are acquainted or not?—A. Yes, sir; I know that.

Q. Have you seen them together?—A. Yes, sir.

Q. Yet you did not hear them talk together?—A. Well, I might have heard them talk. Yes, I have heard them talk, but not on anything connected with any business transaction. Merely a change of words as I maybe would do passing by.

Q. If you have any knowledge now of any improper or fraudulent action on the part of Ex-Postmaster-General Creswell, while he was connected with the Department, concerning Peterson's routes, please state it.—A. I have none. I have no knowledge of my own. I have told you that several times before.

By Mr. LUTTRELL :

Q. You state that you saw Creswell and Peterson together. I want to know where they were when you saw them together.—A. In the office. As I went out Peterson came in. I have seen him very frequently in the office when I have been there.

By Mr. CANNON :

Q. Did you ever see anybody else in the office?—A. O, hundreds of them; that is, not hundreds of them, but I have seen people coming in and out of the office just the same as that.

Q. It was a public office?—A. Yes, sir; a public office; everybody comes in who is admitted. There was nothing particular about Peterson and Creswell being together any more than there would be about you and him, or anybody else, as for that, so far as I know.

Q. On whose recommendation were you appointed in the first instance?—A. I was appointed by I cannot tell who all now.

Q. You spoke of Governor Kellogg?—A. Yes, sir; Governor Kellogg and some six or eight Senators. A good many of the Illinois delegation.

Q. Were you living in Louisiana at the time?—A. I was stopping down there.

Q. Where is your home now?—A. Illinois.

Q. Rock Island?—A. Very near there.

By Mr. LUTTRELL :

Q. Did you learn or hear any reasons assigned for remitting Peterson's fines?—A. No, sir; I never did.

Q. You state that Mr. Creswell's actions did not look to you to be proper in relation to the Peterson matter. What reasons have you for making that answer?—A. The reasons that I base them on are, that after my sending in my reports in regard to Peterson and the large number of letters that I referred from different postmasters that I received from New Orleans and forwarding them on to the Department time and again in regard to—

Q. These fraudulent transactions?—A. In regard to the nonfulfillment of Peterson's contract, not carrying the mail according to schedule-time, I thought it was very singular that if he was fined it should be remitted.

Q. Mr. Cannon asked you if you knew of any improper action on the part of Mr. Creswell, late Postmaster-General, in relation to these matters. Did you hear it charged by any party connected with the Department, any charge that his actions with Peterson were improper?—A. Well, I have heard a great many express the opinion that Peterson's fines should never have been remitted, but what evidence Mr. Creswell had or what inducements were brought to bear to make him remit any fine that was ever imposed on him, is more than I know.

Q. Did you hear any reason assigned by any one?—A. No more than the general reports down there.

Q. What were the general reports as to the reason why he remitted these fines?—A. Well, it would not be hardly fair to state what the reports were.

Q. State what the reports were; that is what we want to get at.

Mr. CANNON. I submit whether that is a proper question.

The WITNESS. I would rather not answer the question, because it is like this: It is a report what so and so did.

By Mr. LUTTRELL:

Q. What were these reports that you heard?—A. The reports that I have heard frequently were, that they were believing that Peterson controlled Creswell.

Q. From whom did you get these reports?—A. Well, I cannot tell from whom. I have heard a good many say it.

Q. A great many say it?—A. Yes, sir, in and out; in the last year prior to my leaving the Department.

Q. Did you hear that statement about the Department?—A. Yes, sir, I have heard it about the Department.

Q. Among the officials in the Department?—A. Yes, sir, I think I have heard it among the officials; what ones I cannot designate.

Q. Do I understand you to say that Mr. Creswell disregarded your reports which you had made in relation to the non-fulfillment of contracts by Peterson?—A. There was never any action taken on them. I don't know what you may call it. Then, when I came on here, shortly after I was removed, I asked some one—and who that party was I don't know—but I asked some one in the Department after I had been here a short time—no, it was like this: I sent two reports from New Orleans in regard to Peterson's contracts, and I was told that neither one of these reports was on file. I think I got the answer by asking the question if my reports were there in regard to Peterson's contract, and I was told that they were not on file. And I was told, further, that none of the letters that I sent from the different postmasters there were on file either. I sent at the least calculation two dozen letters from the postmasters and citizens along the route. But whether they are there or not, I don't know.

Q. Did any one in the Department admit to you that such letters and reports had been received?—A. I don't know as I ever asked the question. They must have been received, though, I think. I do not see how it could have been otherwise. I never, during all my course or connection with the Department, had an official letter that I transmitted mis-carry, to my knowledge.

Q. When you wrote these letters forwarding the letters of postmasters reporting the delinquencies of this man Peterson, as contractor, did you ever receive any letters or acknowledgments of receipt thereof by the Department?—A. No, sir. I never had any instructions to go ahead with the investigations, either.

Q. Did you ever talk with the chiefs of the Department or any of the Department force in relation to your transactions there, and why it was that you had not been ordered to proceed? Did you never make any inquiries?—A. No, sir; I do not think I did when I was on here. I was not on here but once, I think, from the time that I was appointed until I was removed. I had no opportunity to have any conversation with them in regard to it. I sent all of my correspondence in regard to those mail contracts, and reports, &c., in regard to them, and letters, to Colonel Routt.

Q. Did you ever have any conversation with Colonel Routt in relation to the affairs down there?—A. No, sir. I did not have any conversation with him in relation to the affairs. I telegraphed him while the fight was going on on the Mississippi River in regard to what action I should take about the contract of Kuntz when he got that Vicksburgh contract.

Q. Did you get an answer to the telegram?—A. I think I did. Yes; I think I got an answer that day. I took action, whatever it was, as directed.

Q. Did you make a special contract for the carrying of the mail?—A. No, sir; I think

there was a compromise made. The boats agreed to take the mail for a certain time until the thing was settled. That was the understanding—that they should be paid their regular compensation.

Q. In addition to what was paid the contractors?—A. As I understood it down there, Peterson received 10 per cent. The contractor and the Vicksburgh Packet Company the remainder.

Q. Kuntz, you say, was a contractor?—A. Kuntz was a contractor after Peterson. Kuntz bid against Peterson, and the contract was awarded to him for \$27,000 or \$28,000.

Q. Did Kuntz fail?—A. Well, he was like Peterson. He hadn't a boat or anything else, or any means of carrying it, and he depended on the Vicksburgh Packet Company for carrying it for him, and they giving him so much per cent. Kuntz told me that he offered to let them take the contract off his hands at 5 per cent., and they would not do it. Then, after some time, there was a contract made direct with the Department, and the thing was settled up.

Q. Do you know what the special contract-price was then which was made with the Department?—A. No; I do not. But it was such that Kuntz did not get anything out of it. Kuntz was not able. He was in the same fix with Peterson. Neither one of them had a boat or anything else, nor any means down there to carry a mail.

Q. Do you remember what your special terms were with this packet company to carry the mail?—A. No; I did not make any terms with them. I tried to make terms with them, but they would not do it.

Q. What objections had they to making terms to carry the mail?—A. Well, they wanted to make it right direct with the Department and get a contract, they said. They wanted a contract with the Department direct.

Q. How did you want to make a contract with them?—A. I wanted to make a special contract for them to carry it until such times as they did make a contract with the Department; to come to some terms, so that the mails would not be accumulating there. We had to send a good many of the mails direct by rail to Vicksburgh.

Q. You had authority to make a contract with them, did you not?—A. I had authority to make a contract, subject to the approval of the Postmaster-General.

Q. You were authorized by the Department to make a contract with them to carry this mail?—A. Every special agent has that authority in the case of an emergency of the kind.

Q. Now, they refused to make a contract with you to carry this mail?—A. Yes; they would not make any contract with me. I asked them under what terms they would carry the mail. They told me they did not want it at all; they did not want to carry it at all unless it was for the Government. They said they were willing to carry it for the Government by a direct contract with the Post-Office Department; but they would not carry it for this or for that. I tried to impress upon their minds the fact that it was the same thing. Well, they said, so far as regarded their pay, they would get their pay, no doubt, but, still, they would not have anything to do with it unless they had it direct with the Department.

Q. What had Peterson to do with it at this time, if anything?—A. Peterson's contract had expired, but he was trying to throw impediments in the way of Counz carrying the Vicksburgh mail.

Q. Did they not complain to you that the Government had been letting contracts to Counz and Peterson contrary to law that neither Counz nor Peterson were the owners of steamboats, nor were they the masters of any steamboats?—A. Well, as to that, they never said anything to me in regard to making contracts not according to law, but they told me exactly what I knew before.

Q. What was that?—A. That neither Peterson nor Counz had any boats or facilities for carrying that Vicksburgh mail, and they could not carry it. And I do not suppose that there could be a combination strong enough formed, unless it would be about a million of dollars, to carry that mail against the Vicksburgh Packet Company. A dozen such men as Peterson or Counz or heavy capitalists could not form a combination, because they would have to build boats or buy boats to put into that trade, and they could get neither passengers nor freight, for the simple reason that those three packets have controlled that trade ever since the war, and they control it to-day, and no boat could go into that trade in opposition to them. They have now got the contract; they are the proper parties who should have had the contract in the first place instead of Peterson or anybody else.

Q. You understand the postal law letting and regulating contracts for the carrying of mail on steamers, do you not?—A. Yes, sir,

Q. Does not the law require that all contracts shall be let to the owners of steamboats or to the masters thereof?—A. I have so understood it.

Q. Do I understand you to say that any contract made with Peterson or Counz would have been a violation of the law?—A. It could not have been carried into effect providing the Vicksburgh Packet Company would not have carried that mail from New Orleans to Vicksburgh; it could not have been carried at all, that is the amount of it, simply because these three boats, as I say, control the entire trade, and no boats that you could put into that trade could live a day, because they could not be run short probably of five to ten thousand dollars a trip, and that would be clear money out of pocket, and they could get neither

freight nor passengers to pay their expenses against that packet company. They are all popular men who have been in the trade fifteen or twenty years, some longer, and consequently no boats going in this trade could live against the packet company.

By Mr. CANNON:

Q. I desire to ask you in that same connection, if you do not know that the reports of special agents never reach the eye of the Postmaster-General in practice, in fact, unless there is something special about it to call it up; that it goes to the First Assistant or the Second Assistant or the Third Assistant, or to the depredation division, or something of that kind?—A. It never goes to the First or Third Assistant; it goes to the Second Assistant, unless there is something special to call attention to it. I am well aware that the reports of special agents do not go to the Postmaster-General.

Q. Do you know that Mr. Creswell ever saw one of these reports?—A. No; I do not know a thing about it.

Q. Now, all your statement about Mr. Creswell's improper action—A. All my statement about Mr. Creswell's improper action is what I heard.

Q. And something that you don't know anything about?—A. No, sir; I don't know anything about it.

Q. Mere rumor?—A. That is all.

Q. You state that some person connected with the Department said that he favored Peterson; who was that person?—A. Well, I could not tell you that.

Q. When was it that he told you?—A. I have heard it several times.

Q. Where were you when you heard it from the parties in the Department?—A. I might have been in the Department and I might have been in the street.

Q. I am speaking now of what you heard from somebody connected with the Department?—A. Yes; I have heard it from somebody connected with the Department. I do not remember who it was.

Q. What did he say in substance?—A. He said in substance that he believed Creswell knew about Peterson's moves there.

Q. You have a clear recollection that that was the substance of what he said?—A. Yes, sir.

Q. And yet don't know where you were when it was said?—A. I might have been in the post-office. I have heard it frequently, a dozen times.

Q. I want to know one time when it was said to you by an employé of the Department—a man who had knowledge in the Department.—A. How do I know whether he had any knowledge? He had no knowledge any more than I had of it, very likely.

Q. I am talking now of the employé of the Department.—A. I say that he had, perhaps, no more knowledge than I had.

Q. Where were you?—A. I was in the Department.

Q. Whereabouts in the Department?—A. That I cannot tell. I forget now where I was.

Q. And you swear that you cannot tell who told it to you?—A. I do not remember who, but I remember that it has been a conversation among us for a long time.

Q. Yet you do have the clear and abiding recollection that stands out in your mind, that you can swear to the substance of what was said, and do not know who said it?—A. And here, supposing that there were half a dozen—

Q. I am not supposing about that; answer the other question.—A. Well, half a dozen of us being together, or three or four of us, for instance, and a thing being got up of this character, one would say: "Here, I think that he must know something or other about that Peterson transaction down there;" and somebody would reply: "Yes; of course he knows all about it." Now, there would be the substance of the conversation.

Q. Were three or four together when the conversation was held?—A. Well, I don't know. No, I don't think there were; not as many as that. But it is a common conversation among a good many in New Orleans, and also here.

Q. I am not speaking about New Orleans. I am speaking in the Department, from officers of the Department.—A. I have heard it in the Department.

Q. And from officers of the Department?—A. From an officer of the Department.

Q. Who was it?—A. I don't know. I cannot remember.

Q. How do you know that your reports and letters were never acted on; have you examined the records to see? I mean as to the questions of fines and deductions.—A. If my letters are not on file in the Department they never could have been acted on.

Q. They may have been on file at one time. How do you know, in making fines or deductions, that your reports or letters, or some of them, were not acted upon?—A. Well, that I don't know.

Q. You have not examined to see, have you?—A. O, no; I have not examined to see.

Q. State whether or not you know that Peterson was the agent of the Vicksburgh Packet Company, to get contracts for them?—A. No; I do not know that.

Q. Do not you know that at this very time that this Vicksburgh Packet Company—the three boats that you speak of—was refusing to carry the mail for Kuntz, that it was because they had authorized Peterson, as their agent, to bid for that same contract, and Kuntz's bid was lower, and therefore they would not carry it for him?—A. Well, that might have been a reason.

Q. Do you know whether it was or not?—A. No; I do not.

Q. You have no knowledge upon that matter?—A. No, not with regard to that. I have understood all along down there that they would not get a contract.

Q. I am asking whether or not you have knowledge about it?—A. Not regarding that, I have not.

Q. Do you know whether these steamboat owners ever bid?—A. I know they say they did.

Q. Do you know whether their bids were lower than anybody else's?—A. That I do not know. They told me that they never would carry another mail for anybody else except themselves. If they could not get it themselves they would not carry it.

By Mr. LUTTRELL:

Q. Is Peterson a contractor now on any of the routes?—A. Yes, sir; he has several contracts now. He has that same contract from the mouth of the Red River to Shreveport, and some contracts in Arkansas.

The committee adjourned to 10 a. m. to-morrow morning.

WASHINGTON, March 16, 1876.

Mr. CANNON. I offer in evidence the following documents:

"SHREVEPORT, LA., June 25, 1875.

"SIR: On my arrival at Alexandria, La., June 17, I at once proceeded to investigate the condition of the United States mail-service on route 8067, from Alexandria to Shreveport. I soon ascertained the fact that no conveyance over this mail-route was to be had, either by hack or coach, as the mail was and had been carried for the past year on horseback. I obtained a private conveyance and proceeded to Cotile post-office, in order to investigate route 8116, from Cotile post-office to Bertrand post-office. It appears that through some means or influence unknown at the time, and cunningly brought to bear on the Post-Office Department, B. H. Peterson, the United States mail contractor on route 8067, from Alexandria to Shreveport, obtained a special contract at the compensation of \$600 per annum to carry a tri-weekly mail from Cotile to Bertrand, as the contract states, a distance of twelve miles. The facts in regard to the contract and route are as follows: 1st. Bertrand post-office is located on the farm of B. H. Peterson, six miles and a half from Cotile post-office on the right bank of Red River, parish of Rapides, State of Louisiana. There are no dwellings or inhabitants within two miles and a half above, or nearer than three miles below on the river, excepting two or three negro cabins. 2d. I desire to call the attention of the Department to the affidavits of the postmaster at Cotile post-office, and the postmistress at Bertrand post-office, marked A and B, and are here annexed and made a part of this report. 3d. Bertrand post-office is located and kept in a one-story and a half dilapidated wooden building situated near the bank of Red River, the main traveled river and stage road running within 50 feet of the post-office, this being the direct river and stage road from Alexandria to Cotile post-office and Shreveport. 4th. There never has been any special mail made up at Cotile post-office for Bertrand, or any other mail carried over this route, excepting the regular local mail from Alexandria to Shreveport. 5th. Nineteen-twentieths of the mail arriving at the Bertrand post-office, (excepting the Colfax mail,) are from B. H. Peterson to some of his employes, agents, or mail-matter addressed to him. 6th. There is no necessity whatever for a post-office at Bertrand, unless it is for the accommodation of B. H. Peterson, as the planters on the Bayou road, eight or ten miles back from this post-office in the interior, stated to me that they had their mail sent either to Cotile or to Alexandria post-office, as it was far more convenient for them. 7th. Wm. I. Koehn, the postmaster at Bertrand, is an agent of B. H. Peterson. I was informed that he never exercised or performed any of the duties of the office, as he resides in New Orleans. It appears that Peterson procured the appointment of Koehn for the simple reason he could get no other person to take it. Mr. Stevens, the husband of the present postmistress, Mrs. Fanny C. Stevens, and who manages the farm for Peterson, stated to me that Peterson urged him, when the post-office matter was first under consideration, to accept of the appointment, but he peremptorily declined; then Peterson, keenly alive to the importance of locating a post-office on his farm for his own convenience, and calling it, as I am informed he has, after his given name, Bertrand, and as he undoubtedly thought he possessed a mind that could overleap the tardy progress of human reason, and unfold the mysteries of finance without the labor of investigation, he conceived the brilliant idea of procuring a special contract from the Government of \$600 per annum for carrying from Cotile to Bertrand post-office, which, in fact, is his house a tri-weekly mail. 8th. Now the facts are simply these: There never has been any other mail-pouch, sack, or bag carried from Cotile post-office to Bertrand since the establishment of land-service between Alexandria and Shreveport, excepting the regular through local mail. The Cotile post-office is nearer to Colfax than the Bertrand office. The distance from Cotile

post-office to Bertrand is six miles and a half, the distance from Bertrand to Cotile landing on the river is two miles and a half; from Cotile landing to Cotile post-office, four miles, making it exactly six and a half miles. In Peterson's contract it is laid down as twelve miles from Cotile post-office to Bertrand post-office, and these offices are located on the regular mail-route from Alexandria to Natchitoches and Shreveport. To condense matters, the facts are simply these: Peterson has procured a contract tainted throughout with fraud, and the Government is paying him \$600 per annum for delivering his letters and correspondence at his house on his farm. Whereas, were it not so Peterson would be obliged, like dozens of others, to go to Cotile post-office for his mail-matter. There is no necessity, none whatever, for a post-office at Bertrand. The mail-matter for Colfax can be forwarded from Cotile post-office, which is nearer to Colfax than the Bertrand post-office. But Peterson could, perhaps, get up a petition to the Department and have numerous signatures attached to it certifying that red was green, or yellow no color, but it would not be the signatures of *bona-fide* residents of the parish.

"Mrs. Stevens, who is really the postmaster at Bertrand, I believe to be a lady, and strictly honest and upright in all her actions, officially and otherwise. Her husband manages the farm for Peterson. Bodine C. Peterson, who is represented as having the mail-contracts on river routes from Memphis to White River and Vicksburgh, &c., has been at work (until recently) on B. H. Peterson's farm at the post-office for the compensation, I was told, of \$20 per month, but a day or two before my arrival there he left and went over to Monroe to carry the mail on a new route of Peterson's, from Monroe to Camden, Ark.

"The mails are now and have been carried for the past year or more from Alexandria to Mansfield, forty miles from Shreveport, on ponies or horses. The time consumed in carrying the mail from Alexandria to Shreveport during the months of December, January, February, and March last, (as the postmaster, W. McKenna, of this place, informs me,) was from five to nine days, and during that time they only received a tri-weekly mail most of the time at Shreveport from Natchitoches. Now the roads are in as good condition as they ever are, and the usual time from Alexandria now to Shreveport is from seventy-two to ninety-six hours. Seldom less than eighty hours. The mail-carriers lie over nights on the road. As the mail is carried from Alexandria to Mansfield by subcontractors, there is no one to look out or care for the interests of the Government. I was informed by one of the contractors that B. H. Peterson, Government contractor, had not been over the line from Alexandria to Mansfield in a year or more.

"From the best information at hand, it appears that Peterson neither knows nor cares what time it takes for a mail to be carried over his lines, providing he draws the amount which would be due him for carrying the same according to contract service. The day I left Alexandria for Shreveport I was at the post-office at 1 p. m., and saw the mail delivered to the mail-carrier, a boy of about fourteen or fifteen years of age. The mail consisted of two leather pouches and a bag of paper-mail. The boy, with the assistance of another one, loaded the mail on a small pony and led him off up town. Having a curiosity to see the *modus operandi* of the mail-service on this route, I took one of the back streets and went out to the suburbs of the town, the direction he would have to take. After some time he came along. I saw and turned and walked toward him. Before I reached him one of the pouches and paper-sack fell off in the sand. It had been raining hard that day. I asked him if he wanted any help. He replied, 'No,' and said there would be a black boy along soon with a wagon, and he would put them into it and take them out eleven miles, and he would leave the paper-sack there and take on the other sacks the next morning. A boat coming in sight at this time made it necessary for me to leave or remain at Alexandria four or five days longer. The residents on the line between Alexandria and Cotile post-office with whom I conversed stated that if they could be served with a tri-weekly or even semi-weekly mail punctually they would be satisfied, but now they did not depend on the mail from Alexandria, but the most of them went there for it instead of Cotile.

"The mail from Shreveport is carried to Mansfield by hack three times a week; also three times on horseback; usual time twelve hours. My belief is that it would be much to the advantage of the Government, and better for all parties concerned, (excepting mail-contractors,) if the Government at once discontinued daily service on all routes in Louisiana, Texas, and Arkansas, excepting all-rail routes, as they are seldom carried more than tri-weekly any way, and the business enterprise and sparsely-settled districts of country through which a large majority of these routes traverses does not justify the outlay, or the wants of the people require daily mail-service. I am thoroughly conversant with a large majority (having traveled frequently over them) of the daily mail routes in Louisiana, Texas, and Arkansas, and I do not know of one, excepting railway routes, that could not be rescinded from daily service to tri-weekly without the least inconvenience to a large majority of the inhabitants on these routes, and a saving of a large amount of money to the Government, and injuring no one in reality, unless it be the mail-contractors who originated the service through bogus petitions, &c., when the wants of the people never required it.

"Very respectfully, your obedient servant,

"B. MOREHOUSE,

"Special Agent Post-Office Department.

"P. H. WOODWARD, Esq.,

"Chief Special Agents, Post-Office Department, Washington, D. C."

"SIR: In reply to the allegations made by a special agent of the Post-Office Department in regard to the manner of transacting the mail business on route 8067, between Alexandria, La., and Shreveport, La., I have the honor to submit the following statement, with the accompanying map, and other evidence:

"It will be seen by the map, the correctness of which is certified to by the surveyor of Rapides Parish, that the road from Alexandria to Natchitoches, at a short distance from the former place, divides into two roads, one following the Bayou Rapides, the other the line of Red River. The latter road, at a short distance above Bertrand post-office, connects at Bush Ferry with the road to Colfax, and at a point further up the river rejoins the Bayou Rapides road. There is also a cross-road from the bayou to the river, a little below Bertrand. This cross-road, and also the river-road, below Bertrand, are overflowed, and consequently impassable in winter-months, as will be seen from the surveyor's certificate attached to the map; thus making the bayou-road the only one upon which travel and mail facilities are possible with any degree of reliability or precision. This makes a route from Cotile, the point of meeting of the two roads to Bertrand, necessary in order not only to furnish mail-facilities to a considerable region along the river, but also to render the service to Colfax certain. It will be seen from the surveyor's certificate that Cotile is two and a half miles nearer to Alexandria by the bayou than by the river-road, while Bertrand is seven miles distant from Cotile; showing the falsity of the special agent's statement, that the post-office at Bertrand is on the through route from Alexandria to Shreveport, which, from the frequent impassability of the river-road, follows the bayou from necessity, and at a distance of seven miles, at least, from Bertrand. As to the allegations that the mail from Bertrand is nineteen-twentieths of it for the contractor or his employes, attention is solicited to the certificate of Mrs. Stevens, the postmistress at that place, showing the contrary; that Bertrand is actually a point of distribution and delivery for over thirty families, residing at from a quarter of a mile to ten miles above and below, who would otherwise have to go a long and inconvenient distance for their mail; also, that the contractor and his employes are seldom recipients of mail-matter at this office.

"In regard to the alleged irregularity of mails between Alexandria and Shreveport, your attention is invited to the statements of John De Lacy, postmaster at Alexandria; W. McKenna, postmaster at Shreveport; J. T. Vargas, postmaster at Natchitoches; A. M. Potts, former subcontractor; Wm. Allen, of Mansfield; also to the affidavits of Thompson Cokely, Samuel Hall, H. T. Burges, the former postmaster at Alexandria; E. R. Blossat, editor of the Louisiana Democrat; Wm. J. Sample, driver, and E. A. Buddenbrock, a clerk in the Alexandria office, all showing the regularity of the mails, their frequency and usual amount. I would particularly call attention to the direct denial of the Shreveport postmaster, that he ever stated to the agent what the latter reports him as saying; also to Hall's denial that he ever stated that the average weight of mail was but four pounds, with abundant evidence that it averaged several hundred pounds.

"I am confident that the testimony herewith filed will not only show the utter falsity of the charges made in the special agent's report, but will further demonstrate the animus of that report to consist of private malice, and not of a desire to serve the public interest. It is understood that these charges originate with one Morehouse, a special agent, acting under the direction of P. H. Woodward, chief special agent of the Department. The manner of investigation may be inferred from the statements of G. C. Stevens, who was interviewed by Morehouse in Alexandria, evidently with a view of interfering with my private business arrangements; from the statements of the postmistress at Bertrand, who testifies that Morehouse omitted to inquire as to the convenience or utility of the office to the neighborhood; and from the amount of evidence directly contradicting the report, all of which evidence was easily obtainable, had the agent desired it. As this is not the first time that Mr. Morehouse has endeavored to interfere with my private affairs, I respectfully call attention to the accompanying letter of Col. Geo. T. Brott, showing an attempt to black-mail that gentleman, which indicates sufficiently what is the motive that guides these officials in conducting their operations. In conclusion, I would ask if it is not proper that the power of the Department should be exercised to protect contractors who are honestly endeavoring to carry out their agreements, from the enmity and swindling practices of faithless agents of the Government.

"I am very respectfully your obedient servant,

"B. H. PETERSON,

"For Peterson & Sons & B. C. Peterson."

"HON. JAS N. TYNER,

"Second Assistant Postmaster-General."

"MANSFIELD, LA., August 24, 1875.

"I certify that I was subcontractor under B. H. Peterson on mail-route 8067, from Mansfield to Natchitoches, from May, 1874, to January, 1874; that the mails were carried regularly six times per week during that time between Shreveport and Natchitoches. The average weight of mail-matter passing from Mansfield to Natchitoches was about 75 pounds daily. It was never under 50 pounds and often more than 75 pounds daily. Samuel Hall, now of Alexandria, was in my employ about twenty-two days during this time, and in the

employ of B. H. Peterson two months previous on same line, and during that time the mail down was never less than as above stated; and I further certify said Hall cannot read, and can scarcely write his name. I further certify that the mail has passed this point daily up and down six times per week from 1st of January, 1875, to 1st July, 1875.

"T. M. POTTS.

"Sworn and subscribed to before me on this the 24th day of August, 1875.

"W. C. RYNOLDS,

"*Clerk District Court De Soto Parish, La.*"

"BERTRAND, RAPIDES PARISH, LA.,

"August 21, 1875.

"SIR: I met a person, Morehouse by name, in Alexandria, La., some time since, and with whom I held a short conversation in regard to B. H. Peterson, in which he asked me if I had ever heard him say that he could not get his pay promptly, thereby being unable to pay his people. My answer being in the negative, he said he knew of parties to whom he, B. H. P., had made such statements. He also told me that any man working for the said B. H. Peterson on his mail-lines, who was bothered about his pay, to send his claims, duly witnessed, to P. H. Woodward, chief special agent, and that a check would be drawn for the amount in favor of the claimant.

"I have the honor to be, very respectfully, your obedient servant,

"G. C. STEVENS.

"Hon. JAS. M. TYNER,

"*Second Assistant Postmaster-General, Washington, D. C.*"

"COTILE POST-OFFICE, LA.,

"June 19, 1875.

"Francis B. Amsden, postmaster, being duly sworn, deposes and says that he has been postmaster at Cotile for the past three months, during which time the United States mail on this route (between Alexandria and Shreveport, La.) has been carried on horseback between Alexandria and Natchitoches, and what distance from there by same conveyance I am unable to state. The mail generally consists of one leather pouch and no more, and that no other mail bag or pouch passes or arrives at this office to or from Alexandria or any other point excepting the regular Alexandria and Shreveport mail.

"FRANCIS B. AMSDEN, P. M.

"Sworn to and subscribed before me this the 19th day of June, 1875.

"S. B. MOREHOUSE,

"*Special Agent Post-Office Department.*"

"BERTRAND, PARISH RAPIDES, LA.,

"August 20, 1875.

"DEAR SIR: This is to certify that neither B. H. Peterson, or any person connected with him, but seldom receive a letter at this office, or purchase stamps; also, that families living within eight and ten miles of this office receive their mail here because it is more convenient than any other; also, that the number of packages coming to this office are addressed to more than thirty different persons.

"Mr. Morris, alias Morehouse, did not ask me any questions in regard to the convenience of this office to the citizens within the neighborhood. There are persons receiving mail living all along the road from one-quarter mile distance; mile, mile and one-half, and so on to ten miles distant, and perhaps farther.

"I certify to the above upon my honor, and remain,

"Very respectfully,

"Mrs. FANNIE C. STEVENS.

"Hon. J. N. TYNER,

"*Second Assistant Postmaster-General, Washington, D. C.*"

"UNITED STATES OF AMERICA,

"*District of Louisiana:*

"Personally came and appeared before me, the undersigned, a United States commissioner for the district of Louisiana, Thompson Cokeley, a citizen and resident of the town of Alexandria, Rapides Parish, State of Louisiana, who, being duly sworn, did depose and say as follows, to wit:

"My name is Thompson Cokeley; my age, forty-eight years; my residence, Alexandria, Rapides Parish, La. On the 12th day of February, 1874, I, as security and bondsman of William Mills, jr., (then the postmaster of this place, who was suspended by Special Detective Edgar Selye, having charges preferred against him,) took charge of the post-office and had charge of the office and acted as postmaster from that date until the 2d day of May,

1874, when I was relieved by H. T. Burgess, the duly-appointed postmaster. During my stay in the office as postmaster, the average amount of mail-matter received was from two to three hundred pounds tri-weekly. The mails were regular and daily until the time of the overflow of the lower portion of this State; that is, between here and the mouth of Red River.

his
"THOMPSON + COKELEY.
mark.

"Attesting witnesses:

"Elder THOMAS EPPS.

"E. V. MARYE.

"Sworn to and subscribed before me this 2d day of August, A. D. 1875.

"L. V. MARYE,

"United States Commissioner, District of Louisiana."

"UNITED STATES OF AMERICA,

"District of Louisiana:

"Personally came and appeared before me, the undersigned, a United States commissioner for the district of Louisiana, Samuel Hall, a resident of Rapides Parish, La., who, being by me duly sworn, did depose and say as follows, to wit:

"My name is Samuel Hall; my age, twenty years. I reside in Pineville, Rapides Parish, La. My occupation is that of mail-carrier. I have been in the employ of B. H. Peterson, off and on, for the last eighteen months, as hostler, at Alexandria and on the road from Alexandria to Red River Landing, and have met the stage, during the bad weather in the winter and spring, with a hack, and brought the mail in to Alexandria. I sometimes brought in ten sacks of mail-matter, and I am certain that it would average five hundred pounds per mail brought to Alexandria. I have also had good opportunities to know how much mail was on the stage up to Evergreen, and have frequently seen fourteen sacks. Mails have been very regular. I never gave my affidavit that they were irregular and that the average weight of mail-matter was four pounds. I am now riding the mail from Alexandria to Leesville, and the weight of mail I carry is from fifty to one hundred pounds, most of which is brought up from Red River Landing by the stage-line.

"SAMUEL HALL.

"Sworn to and subscribed before me this 2d day of August, A. D. 1875.

"L. V. MARYE,

"United States Commissioner, District of Louisiana."

"UNITED STATES OF AMERICA,

"District of Louisiana:

"Personally came and appeared before me, the undersigned, a United States commissioner for the district of Louisiana, H. T. Burges, a resident of Rapides Parish, State of Louisiana, who, being duly sworn by me, did depose and say as follows, to wit:

"My name is H. T. Burges; my age, thirty-eight years. I reside in the town of Alexandria, Rapides Parish, Louisiana. I was postmaster at this place from the 4th of May, 1874, to the 31st day of June, 1875. During the time that I was postmaster, the mails from Red River Landing to Alexandria were always very regular. We had a daily mail carried by stages from the mouth of Red River to this place, (Sundays excepted,) and the amount of mail-matter carried daily would average about two hundred and fifty pounds. The post-office at Alexandria distributes mail-matter to the following places: Pineville, Winfield, Spring Creek, Leesville, Monroe, Jena, and Harrisonburg. There is also sent through this office a through-mail to Natchitoches and Shreveport. All of this mail-matter is brought from Red River Landing by stages running to this place. With the exception of the first six weeks that I was in office as postmaster, the mails have always been regular. The irregularity then was occasioned by the overflow of the country along the line of the route.

"H. T. BURGESS.

"Sworn to and subscribed before me this 31st day of July, A. D. 1875.

"L. V. MARYE,

"United States Commissioner, District of Louisiana."

"UNITED STATES OF AMERICA,

"District of Louisiana:

"Personally came and appeared before me, a United States commissioner for the district of Louisiana, E. R. Biossat, a citizen and resident of the town of Alexandria, Rapides Parish, Louisiana, who, being duly sworn by me, did depose and say as follows, to wit:

"My name is E. R. Biossat; my age, fifty-six years; my occupation, editor of the Louisiana Democrat. I am a native of the town of Alexandria, Rapides Parish, Louisiana;

born in 1819, and have lived here constantly ever since; was postmaster here from the year 1853 to 1865, and at Washington the record will show my status; am now and have been proprietor and editor of the Louisiana Democrat since 1861, and have been earnestly interested in the United States mail from Red River Landing, in stages, to Alexandria; have watched the mail closely, and for the last eighteen months they have been carried faithfully, and have been extremely regular, the only mail-failures being when the boats failed to reach the mouth of Red River in time for connection. This blame is not attachable to the stage-line. The stage reaching here Mondays, Thursdays, and Saturdays brings each time fully 200 pounds of mail-matter. This I am certain of and know it to be a fact.

"E. W. BLOSSAT.

"Sworn to and subscribed before me this 30th day of July, A. D. 1875.

"L. V. MARYE,

United States Commissioner, District of Louisiana."

"UNITED STATES OF AMERICA,

"District of Louisiana :

"Personally came and appeared before me, the undersigned, a United States commissioner for the district of Louisiana, William J. Sample, a citizen and resident of Rapides Parish, State of Louisiana, who, being duly sworn, did depose and say as follows, to wit :

"My name is William J. Sample; my age, twenty-six years; residence, Rapides Parish, where I have lived for the last twenty-four years. I am a stage-driver, and have been driving on the route from Red River Landing to Alexandria for the last two years, and I am certain that the through mails have averaged from 500 to 1,000 pounds per trip—making three trips a week. I have also seen, on the other three days of the week, as high as ten to twelve sacks of mail-matter. My drive was from Summersport to Cheneyville.

"The mails have been carried with great regularity since I have been on the road, having missed but one trip in eighteen months. A large portion of mail-matter is carried on the stages from the following post-offices, not on the line, to wit: Mausuta, Markville, Chicot, Holmesville, and Big Cane.

"WM. J. SAMPLE.

"Sworn to and subscribed before me this 30th day of July, A. D. 1874.

"L. V. MARYE,

United States Commissioner, District of Louisiana.

"UNITED STATES OF AMERICA,

"District of Louisiana :

"Personally came and appeared before me, the undersigned, a United States commissioner for the district of Louisiana, E. A. Buddenbrock, a resident of Rapides Parish, State of Louisiana, who, being by me duly sworn, did depose and say as follows, to wit :

"My name is E. A. Buddenbrock; my age, nineteen years. I reside in the town of Alexandria, Rapides Parish, La. I am a clerk in the post-office at Alexandria, and have been so employed, off and on, for the last eighteen months. The mail from Red River Landing to Alexandria, La., arrives and departs regularly on Mondays, Thursdays, and Saturdays, of each week, arriving here between the hours of 12 m. and 6 p. m. of those days. The stage-line makes good time considering the bad roads that have to be traveled during the winter, and, during the summer, owing to low water, the failure of the boats to reach the mouth of Red River on schedule-time.

"The average amount of mail-matter sent through this office on the down-trip of each stage weighs from 100 to 150 pounds, and the mail-matter that comes to this office on the up-trip of each stage is one lock-pouch, and two, sometimes three, canvas sacks, weighing in all from 300 to 500 pounds. Before the mail was cut down to three times a week, we used to have two lock-pouches and two and sometimes three canvas sacks.

"E. A. BUDDENBROCK,

"Now Acting Assistant Postmaster.

"Sworn to and subscribed before me this 31st day of July, A. D. 1875.

"L. V. MARYE,

"United States Commissioner, District of Louisiana.

"UNITED STATES OF AMERICA,

"District of Louisiana :

"Personally came and appeared before me, the undersigned, a United States commissioner for the district of Louisiana, John DeLacy, a citizen and resident of Rapides Parish, State of Louisiana, who, being by me duly sworn, did depose and say as follows, to wit :

"My name is John DeLacy; my age, fifty-four years. I reside in the town of Alexandria, Rapides Parish, State of Louisiana. I am postmaster at this place; took charge of the office on the 1st of July, 1875. The mails are very regular between here and Red River

Landing. The average time of arrival is from 12 m. to 4 p. m. on the days fixed by the schedule on that route. I generally receive two lock-pouches, (one way-mail and the other a through-mail pouch,) both averaging from 50 to 100 pounds in weight, and from two to three canvas sacks of newspapers, periodicals, &c., averaging in weight from 300 to 600 pounds. I usually send from here three times a week, to Natchitoches, one through lock-pouch and one way-pouch, and from one to sometimes two sacks of papers and periodicals, and weighing from 100 to 250 pounds. I send the mail to Monroe and Jena twice a week, from 20 to 30 pounds each time; to Winfield from 30 to 50 pounds, every week; to Leesville from 50 to 80 pounds, every week; to Springfield from 5 to 20 pounds, every week; and to Pineville, 25 to 40 pounds. All of this mail-matter is distributed at this office, and is brought here by the stage-line running from Red River Landing to this place.

"JOHN DELACY, P. M.

"Sworn to and subscribed before me the 31st day of July, A. D. 1875.

"L. V. MARYE,

"United States Commissioner, District of Louisiana."

"UNITED STATES OF AMERICA,

"State of Louisiana, Parish of Rapides :

"It is hereby certified that the deponents, Thomas Cokeley, Samuel Hall, H. T. Burgess, E. R. Boissat, William J. Sample, E. A. Buddenbrock, and John DeLacy, all residents of the parish of Rapides and State of Louisiana, and to me personally known, personally appeared before me, and were properly and duly sworn to declare the truth, the whole truth, and nothing but the truth in the statements to be by them made; that the statements as made by them were taken down in writing by me, and subscribed by them, in my presence, on the days and dates in that behalf first stated.

"In testimony whereof I have hereunto set my hand and affix my seal officially, on this 31st day of July, 1875.

[SEAL.]

"L. V. MARYE,

"United States Commissioner, District of Louisiana."

"NEW ORLEANS, LA., April 7, 1873.

"Hon. J. L. ROUTT,

"Second Assistant Postmaster-General, Washington, D. C. :

"If your Department concludes to put the service in the new route from Cotile post-office, Sullivan's Landing, La., distance ten miles, I will perform the service, tri-weekly, for \$550 a year, and will commence May 1, 1873.

"Very respectfully,

"B. H. PETERSON."

"UNITED STATES SENATE CHAMBER,

"Washington, March 25, 1873.

"Senator WEST: Will you have B. Margot, of Grand Isle, appointed postmaster of that place, and ask the Second Assistant Postmaster-General to put on the service?

"Also John H. Sullivan, appointed postmaster at Sullivan's Landing, Parish Rapides, La., and the service also put on. The above offices are small, and the salary not over \$12 a year.

"Your obedient servant,

"B. H. PETERSON."

"MANSFIELD, August 24, 1875.

"This is to certify that the mails arrived and departed from this office regularly on schedule-time, six times per week, during the months of January, February, March, April, May, and June, between this office and Shreveport, and this office and Natchitoches, on the route No. 8067, on which B. H. Peterson was then contractor.

"W. M. ALLEN.

"Sworn and subscribed to before me on this the 24th day of August, 1875.

[SEAL.]

"W. C. REYNOLDS,

"Clerk District Court, De Soto Parish, La."

"RAPIDES PARISH, LA., August 20, 1875.

"We certify that the United States mail from Alexandria, La., to Natchitoches, La., on route 30126, was weighed on 19th of August, 1875, and that the weight was 99½ pounds, and that it was an average size mail.

"JOHN DE LACY,

"Postmaster.

"E. A. BUDDENBROCK,

"Acting Postmaster."

"SHREVEPORT, LA., August 26, 1875.

"I hereby certify that the mails on route No. 30126, mouth of Red River, La., to Shreveport, La., have arrived at and departed from this office regularly six times a week up to the 1st July, 1875, except what failures and changes have been reported on monthly registers of arrivals and departures; and that I have not stated, at any time, to any special agent of the Post-Office Department, or other person, that but three trips a week were made previous to the 1st of July, 1875, on this route.

"W. MCKENNA,
"Postmaster."

"NATCHITOCHES, LA., August 23, 1875.

"This is to certify that service on route No. 8067, from Natchitoches to Shreveport, La. has been properly conducted six times a week during the months of January, February March, April, May, and June of the present year, with the exception of the following failures: Saturday, 2d January; Friday, 8th January; Saturday, 20th March, and Monday, 17th May.

"J. F. DE VARGAS,
"Postmaster."

"The SECOND ASSISTANT POSTMASTER-GENERAL,
"Washington, D. C."

The examination of the witness, S. B. MOORHOUSE, was then continued as follows:

By Mr. CANNON:

Question. You spoke yesterday of one George F. Brott, of New Orleans, as your friend?—

Answer. No; I did not.

Q. You did not refer to him as your friend?—A. Not by any means.

Q. As your acquaintance?—A. As my acquaintance. He has always been a personal enemy of mine since he undertook to bribe me.

Q. You spoke of him as the person who told you that you would be removed in two weeks, or that Peterson told you so?—A. No; he did not tell me so. I told you that I saw a letter that he had.

Q. Saying that you would be removed in two weeks?—A. Yes, sir.

Q. You now state that he was your personal enemy at the time?—A. Certainly he was.

Q. Did you not state yesterday that he was your friend?—A. I did, laughing at the time, or smiling.

Q. Did you not speak of him yesterday as your friend?—A. If I spoke of him as my friend I spoke through a mistake altogether.

Q. And if you did, you take that part of it back?—A. I do, most assuredly.

The CHAIRMAN. You don't think you stated it?

A. I don't think I stated it.

By Mr. CANNON:

Q. How did you happen to be at his office at that time?—A. I didn't tell you I was at his office.

Q. How did you happen to be talking with him?—A. Look over the evidence, and you will see. I told you I saw him in the United States commissioner's office, and that he showed me that letter.

Q. Are you conducting this investigation or am I?—A. Well, sir, there is no use in your going over an investigation that you went over yesterday. I have answered all those questions.

Q. I ask you whether you are conducting this investigation, or whether I am; answer that question.—A. I will answer you by saying that I replied to that question yesterday.

Q. Where did you say you met Mr. Brott?—A. I told you I saw him in the office of the United States commissioner.

Q. How did you happen to talk with him?—A. He came up to me voluntarily, laughing and smiling.

Q. He sought the interview and not you?—A. He sought the interview.

Mr. CANNON. I will now place in evidence, for the reason that I find it among these papers sent to us from the file of the Post-Office Department, letter of September 6, 1875, from B. H. Peterson to George H. Brott, and also on the other side of it, of the same date, the letter from George H. Brott to B. H. Peterson.

(Letter objected to by Mr. Luttrell on general ground that it is simply statement of parties and can in no sense be considered testimony. The objection sustained.)

The CHAIRMAN. The paper is indorsed on the back, "Statement of George F. Brott relative to the conduct of Moorhouse and his hostility to B. H. Peterson." [To the witness.] Did you ever approach George F. Brott, of New Orleans, and demand of him \$1,000 of the amount which would be paid to him for route 8010, Louisiana, and threaten, unless that money was paid, that you would burst up that route?—A. There never was a word passed

between Mr. Brott and myself in regard to the route, so far as money consideration was concerned, either directly or indirectly. Brott came to me and asked me if I would help him get an extra compensation on that route. I told him no; that I would have nothing to do with it one way or the other. He said he was going to get it; said he would get it without me. I sat down directly after, either that day or early in the morning of the next day, and wrote a letter to Colonel Routt, Second Assistant Postmaster-General, detailing the conversation and Brott's threats to me. That letter should now be on file in the Post-Office Department. Brott was a personal enemy to me and it was well known in New Orleans that he was such, and has been in connection with Peterson.

Q. You say, then, that you reported to Colonel Routt at the Post-Office Department the conversation which occurred between you and Brott?—A. I did as to his asking me to help him to get extra compensation on that route, when he was getting then more than the route was worth, or as much, if not more.

Q. Did you have any conversation with Captain Bennett, who was a subcontractor under Brott?—A. I don't know whether his name was Bennett, but there was some one there at the same time. Who he was, I don't know, but I took him to be a partner, or something of that kind.

Q. You stated in your examination, as I understood you yesterday, that you procured an affidavit from this postmistress, Mrs. Stevens?—A. I did.

Q. Was that affidavit which you procured from her forwarded with the papers?—A. It is here now, I suppose. This affidavit, [referring to affidavit of Mrs. Stevens,] now in evidence, is one Peterson got from her. I never got it.

Q. What are the relations between Brott and Peterson in business and otherwise, if you know anything about them?—A. I always saw them together, and it has always been understood that they here in partnership in their contracts.

Q. Did Brott ever tell you that he was interested in Peterson's contracts?—A. No, I don't know that Brott ever told me so, but he has given me to infer the same. Of my own knowledge, I don't know that Brott was interested with Peterson. I know it from the inference that I drew from him and his conversation, one was the same as the other, and it was generally understood, and always has been, that he and Peterson were together. I found afterward that whenever I would have any conversation with Brott, Peterson would tell Brott of it the first time he saw him, whatever it was.

THE CHAIRMAN. Do you know who Thompson Cakely is?—A. I don't know that I do.

Q. Do you know Samuel Hall, a citizen of Rapides Parish?—A. I do not know him personally; if I know him at all, it would be by reputation. Burgess, the postmaster, was removed from the post-office at Alexander at the time I was there. John DeLacey was appointed in his place. Buddenbrook was the clerk at the Alexander post-office.

(The concluding reply of the witness refers to parties whose affidavits in relation to post-office matters in Louisiana were presented at the beginning of this session.)

WASHINGTON, March 16, 1876.

JAMES L. FISK sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. I call Montana my home. I have not been there permanently, however, for the last four or five years.

Q. What is your occupation?—A. Journalist.

Q. Are you acquainted with a mail-route that is known as the Walla-Walla and Missoula route?—A. Yes, sir; while I was in Montana I was quite familiar with that route.

Q. I would like to have you state to the committee what you know about that mail-contract; how it was executed, and what the necessities were for the mail-service. Make a general statement, if you please, and then state in that connection what you did in regard to it; if you made any representations; how you made them, and to whom?—A. I went to Montana with my family to reside in 1866; and helped immediately afterward to establish and conduct the leading journal in that Territory, which pursuit naturally familiarized our folks with matters of a public nature, particularly with the postal service, in which we were especially interested. The Territory was young and growing in those days quite rapidly. New towns and camps were springing up in different parts of the country, and new post-routes were in constant demand to meet the requirements of the people; so much so, that petitions were being forwarded at every session of Congress for those routes, and which were refused oftentimes. The only excuse for their refusal was that our Territory was consuming its proportionate amount of the appropriations mainly in one large route, the actual necessity for which our people were unable to see or realize, and were not backward in expressing themselves in that way, both at home and here in Washington.

Q. What route is this you speak of?—A. That was the Walla-Walla and Missoula route.

It was then run, in early times, from Helena to Walla-Walla. Afterward this main route was limited as between Walla-Walla and Missoula; the Helena and Missoula section being let separately. I have been over the entire route from Helena to Walla-Walla; from Missoula to Walla-Walla it is quite rugged and mountainous, so much so that it is only about four or five months in a season that it is possible to navigate it with anything like a wheeled vehicle. In fact it is almost impassable even during that time to get through in any shape across the Cœur d'Alene Mountains. The snow falls very deep on those mountains, as a rule. There are no settlements along the route: probably not a dozen houses between the Missoula River and Walla-Walla, until the discovery of some mines right across the Missoula River there, recently. There are very few dwellings, and those are in the immediate vicinity of the ends of the route. There is an isolated Catholic mission beyond the Cœur d'Alene Mountains. According to my recollection, there are no villages or settlements of any consequence; only scattering houses away toward Walla-Walla, reaching back for forty, fifty, or perhaps one hundred miles. There is nothing to warrant a route of that character; nothing but what could be supplied with local service once a week, or once in two weeks. The contract was let on this route at big figures, sufficiently large to have warranted putting on coaches, and of course to have devoted considerable means to putting a good road through there, and keeping it in repair, but it has not been done. It is next to an impossibility to run a wagon across there without quite extensive outlays in the way of bridges, dugways, clearing out fallen timber, &c.

Q. Was the mail carried in coaches or on horseback?—A. It was never carried in coaches. The mail-service was carried by what we call the "broncho" service, a sort of a little horse or pony, which is quite serviceable in that country.

Q. Have you any idea about the quantity of mail-matter passing through that route?—

A. Yes, sir; I judge from personal observation and inquiry, and from the statement of our postmaster at Helena. Helena is almost the exclusive wholesale business headquarters of the Territory, and would receive naturally whatever intercommunication there might be, in the way of business mail between Walla-Walla and the Pacific coast, and that quarter of our Territory. I have heard the postmaster of Helena say frequently, that he did not think there was an average of two letters a week, if per month, during the year, actually carried over the route. All during those years, say from 1866 to 1870, he was enabled to see that those were carried by no actual service at all: for instance, a few pack-trains would go through there every season, and letters of a business character would be brought through by them. Business men would forward packages by them. I suppose that the greater portion of the mail over said route was brought through in that way during the summer season.

Q. Was it tri-weekly mail?—A. Yes, sir; tri-weekly.

Q. Was it carried tri-weekly; do you know anything about that?—A. I was not passing over the route during the time of the service, and I only know from general hearsay there, and the statements of our postmaster who did know, or ought to have known, what was really done.

Q. If you got general information from people on the route, you can give it, as to how the mail was carried.—A. I think we published several communications from parties living down in that vicinity; for instance, at Missoula, and about there, who were familiar with the manipulations that they were practicing. It was a common assertion that there were no through trips made at all, if any trips were made during the entire season. The practice was to run a horse out from each end to a station or two, say forty or fifty miles, once in two weeks, and there would be a sort of exchange of mail-bags, so that the postmasters could say that they were receiving and discharging these mail bags.

Q. You have no personal knowledge, then, as to how frequently it was carried?—A. No, sir; only from general statements that I have heard.

Q. When you were going over the route, was the mail being carried?—A. No, sir; that was in early times, in 1862, when I went over the route.

Q. There was no mail carried through, at all—no route there?—A. No, sir; no route established there until about 1866, I think.

Q. State to the committee if you or any other individuals made any efforts for the purpose of having those abuses of the mail-service corrected.—A. I came to Washington in the winter of 1869 and 1870; and during the season of 1870, I personally called the attention of the Department to the demands of our people. I was receiving more or less letters from them all the time, requesting my attention to securing service on routes that were absolutely needed by those new settlements I have spoken of, which were springing up all the time on the occasions of the discoveries of mines, &c.; but I obtained from the Department the same excuse that had been reported to us from Washington, while I was in the Territory.

Q. Who was then at the head of the Department?—A. I went directly to the Postmaster-General, and his immediate assistants. I saw them all.

Q. State the names of the persons you applied to.—A. Mr. Creswell was one of them. I do not recollect who his First Assistant was. I have a letter here that will perhaps explain that. Senator Ramsey gave me this letter to give me strength at the Department, in order that I might effect something in this matter. [Reading:]

" WASHINGTON, D. C., March 13, 1871.

" SIR : With reference to postal matters in Montana, and especially in the absence of any regular Delegate from that Territory."

[Our delegatorial powers had lapsed for some reason or other at that time.]

" Our acquaintance with James L. Fisk, for a long time resident of our State, and since 1866 the leading republican journalist of Montana, warrants us in commending his recommendations, and in expressing the hope that his wishes may meet with favor in your Department.

" Respectfully, &c.,

" ALEX. RAMSEY.

" Hon. GILES A. SMITH,

" *Second Assistant Postmaster-General.*"

That refers to postal matters in Montana. Mr. Ramsey was chairman of the Committee on Post-Offices and Post-Roads of the Senate. I have another letter here of some length from a mail-contractor of Montana, which the committee might put on record if they see fit. It contains very positive statements, and from parties whom I know were familiar with affairs there at that time.

Q. The letter you speak of is in reference to the wants of the Territory for mail-service ?—

A. Yes, sir ; it speaks particularly about this route, and is addressed to me by Mr. Lyman, while he was here in Washington. Mr. Lyman is a responsible man of Montana.

(Mr. Cannon objects to the letter being read.)

Q. It was written to you and not to the Post-Office Department ?—A. Written to me, asking me to exert myself in the same manner that I was seeking to do.

Q. Did you show that letter to the Postmaster-General ?—A. Yes, sir ; this letter of Mr. Lyman. I took it with me. The original letter from Senator Ramsey, of which I have read a copy here to-day, was filed with the Postmaster-General.

Q. Was a copy of this letter of Mr. Lyman's filed ?—A. No, sir.

Q. You just simply showed it to him ?—A. I simply showed it, and read it to him. I would state here, that the usual route for our mail-matter for Helena and the main portion of the Territory, in fact the entire territory, so to speak, between the Pacific coast and Montana, was carried by another route through, by which service was rendered promptly.

Q. What route was that ?—A. That was out by way of Corinne ; from Helena to Virginia City, down through Idaho and Utah, down the Snake River to Boise City and Walla-Walla, &c. ; so that, by that means, we could communicate with Walla-Walla, Washington Territory, Portland, Oregon, and the whole Pacific coast quite readily, and without any particular delay. Our mail came and went, almost exclusively, that way : in fact, we, at our own office, never received or sent, to my knowledge, any mail over this pretended route.

Q. Now, state what representations you made to the Postmaster-General in regard to that route.—A. I called upon Mr. Creswell, and had a long conversation with him, stating, somewhat earnestly, the facts as I understood them, and knew them to my satisfaction—that this route was regarded as a mere sinecure, and of no real benefit to the people ; that there was no service upon it, in fact ; that it was consuming the principal portion of the money to which our Territory was entitled for postal service ; that we were greatly in need of many other routes ; that I understood the Department had failed to give its approval for service on those needed routes, because so much money was consumed already, and, of course, the main portion of it went on this Walla-Walla route, to the amount of \$170,000 or \$180,000 per annum. And I represented to him that it was almost the unanimous wish of our people, certainly the wish of all outside of those personally interested in the contract, that this route should either be discontinued entirely, or cut down to weekly, semi-monthly, or monthly service, with the amount proportionately reduced ; and the money thus saved devoted to the routes that we did need. I made as strong a case of it as I could under the circumstances. I fortified it with statements, such as were furnished me at the time. Several citizens accompanied me at different times, to see the Postmaster-General, and some of them, I think, had letters and newspaper articles from the Territory, at that time.

Q. You fortified yourself with statements ; do you mean you filed written statements ?—

A. He said to me, after my first conversation, that he wished I would prepare in writing what I had stated to him, and file it. I did so, and think I certified to it before a notary. It was quite a long statement, embracing all the points.

Q. And you delivered that ?—A. Yes, sir ; I left it with him in person. Soon after that he did either discontinue that route entirely, or cut the service down very materially, I am not positive which it was. After that I had occasion to leave Washington, to make a trip to Minnesota, and was gone several months. On my return I learned that the route was re-occupied, and in full blast as before.

Q. It had been re-instated while you were gone ?—A. Yes, sir ; and I also learned that the full back-pay had been given to the parties for the time lost in the interval. This was stated to me as a fact, and I had no reason to doubt it, although I did not go directly to the Department to ascertain that particular point. I learned from the Department that service

had been restored; but I did not learn personally at the Department in regard to the pay for the time lost in the interval while service was discontinued.

Q. You understood, though, that payment was made during the discontinuance of the service?—A. Yes, sir.

Q. At the same rate for which they had been carrying tri-weekly mail?—A. Yes, sir.

Q. Did you make any further representations to the Department about it?—A. I expressed my surprise that the Department should have done so, against the earnest and unanimous protest of our people. They produced a long petition as their excuse, which petition embraced the names of persons whom I knew personally to be opposed to any such thing. At least it contained quite a number of names representing persons whom I had talked with before leaving the Territory, and some of whom came here and conversed with me, and told me they never signed the paper. I learned at that time that that matter of getting up petitions—I could not say who told me, but it seemed to be a sort of laughing matter—that it was an easy thing to cook up petitions by the yard, to order, on any such subject as that. Any how, I did not doubt it, after seeing the petition.

Q. At all events, you saw some of the parties whose names were signed to the petition?—A. Yes, sir; I am perfectly satisfied that that petition was never circulated in our Territory. This letter from Mr. Lyman speaks of that as a fact: that it was never circulated in the Territory, and he openly denounced it as a forgery. That petition was the excuse for restoring the service.

Q. Who gave that excuse?—A. The Postmaster-General himself; I conversed mostly with Mr. Creswell personally.

Q. Did you communicate the fact to him that that petition was false, or partially so?—A. I did, at the time. I expressed grave doubts at the moment I saw it. I thought it was an impossibility that that could be a genuine document, and I pointed out names to him of persons who could not have signed it, and afterward met several of those parties. During those days many of our people were on here for various purposes, during the sessions of Congress. There were often large delegations of Montanians here. I have a little memorandum here, which I have made since I received your subpoena, knowing what I was summoned here for. My recollection is that this service, at first and for several years following, was from Helena to Walla-Walla, notwithstanding the special service over the same route, from Helena to Missoula. This sort of thing was practiced in other cases in the Territory, and it was through such out-and-out frauds that many actually worthy and much-needed routes could not be established, or, if "established" could not be supplied with service. There was the lapping of routes, and giving two contracts to perform the service practically on one route. I had no ill-will against the contractors, in any case, but sought to correct these evils from a desire to have the money thus squandered applied to the putting on of service on the various short routes so much needed. I do not know who has the contract at this time, and I wish it distinctly understood that I have no personal grievance in the premises. Our people of Montana were at several different times aroused to indignation over the lavish and useless outlays for the bogus route over the Cœur d'Alene Mountains to Walla-Walla, and upon their appeals I sought to rectify the imposition. The many thousands—half a million or more—literally thrown away upon said big route—I think up to the time I came here there had been something like \$500,000 paid out on that route—would have been a great blessing to the people of many new camps, towns, and settlements constantly springing up in the Territory, and whose inhabitants were, in consequence of being denied mail facilities—and those facilities were denied explicitly on the ground of the large amounts absorbed by these huge sources of thievery—obliged in all such instances to pay express rates upon all their mail-matter, at rates varying from twenty-five cents to \$1 per letter. You can readily see that such a condition of things would arouse the people in those new camps, not only to petition earnestly for mail-routes, but to protest also against any appropriations for routes that were rendering no actual service to the Government or the people.

By Mr. LUTTRELL:

Q. Did you so notify the Postmaster-General at that time in regard to the state of affairs?—A. I did, most assuredly; and if the document can be found it will be found in writing from me. I should judge by the date of this letter of Mr. Ramsey's that my document must have been filed in the Department soon after I received the said letter from Mr. Ramsey.

The CHAIRMAN. I will state to the committee that three days ago I sent a letter to the Postmaster-General describing this communication referred to by the witness. I also sent another letter yesterday, and I understand from Mr. Tyner that letter cannot be found. I have received no written communication from the Department in regard to it.

By Mr. LUTTRELL:

Q. What was the reply of Mr. Creswell to you when you made this statement to him?—A. He said that he would take it under serious advisement; and I learned shortly after that the route had been either totally discontinued or the service cut down from tri-weekly, which was of course very expensive, to weekly. That would cut something like \$50,000 to \$100,000 per annum, and that would supply many small routes. I am not certain whether he discon-

tinued it altogether or cut it down to weekly service ; but the service was soon after restored during my absence in Minnesota, and I learned of its restoration upon my return to Washington.

Q. Did you ask Mr. Creswell why it was that service was ordered on the second time ?—A. Yes, sir.

Q. What was his reason for restoring it ?—A. He showed me the petition which I have told you of. I told him I did not think that that was a fair or good excuse under the circumstances. I denounced the petition as altogether questionable, and I was perfectly satisfied in my own mind that it was——

Q. A forgery ?—A. So far as many signatures were concerned—yes, sir. That letter from Mr. Lyman states very emphatically that the petition was never publicly circulated in the Territory, and I have learned from my brother that it was not.

Q. Did you show him this letter and state to him that the statements therein contained were correct ?—A. Yes, sir.

By the CHAIRMAN :

Q. You stated that you had received letters stating many of the persons' names on that petition were not signed by the persons they purported to be signed by ?—A. Yes, sir ; I had at that time, I suppose, twenty letters from different persons of our Territory. I was receiving frequently various letters and documents, and our paper contained articles occasionally on the subject. It was not a thing that was in any way secret or private. It was a sort of general protest that our people were making against this what they called and denounced openly as a fraud ; and a mythical route without any actual service, and which was drawing a large amount of money, and depriving the people elsewhere of what they deserved and needed. I did not consider myself delegated by the people of Montana particularly or specially to do this work, but I saw nobody else leading the way ; of course I was urged by various parties to do as I did.

By Mr. LUTTRELL :

Q. As the publisher of the leading paper in Montana you had good opportunities of ascertaining the true state of facts ?—A. I had most assuredly. I so regarded it ; our own mails were quite large, and it was something we were particularly careful to keep track off—the delivery of our paper both daily and weekly, and our letters also.

Q. You notified Mr. Creswell of this fact, did you ?—A. Yes, sir ; he knew who we were very well.

Q. Did you ever have any conversation with Mr. Huntley on the subject ? Did he ever approach you on the subject ?—A. No, sir ; I do not think he did.

Q. Do you know of Judge Evarts, the internal-revenue assessor, or any other United States officer notifying Mr. Creswell of these frauds being perpetrated by Huntley & Co. ?—A. Judge Evarts has told me quite a number of times, both after that time and since, that he made strenuous efforts to correct that abuse, and I think at another time subsequent to this he secured the discontinuance of the route for a time, but it was put on again. That is my recollection, but I would not be positive. The judge is available. He is in Kentucky and could answer for himself more satisfactorily to the committee.

Q. Then by all the combined efforts of the United State officials, yourself, and citizens of Montana, you were unable to break up this fraud being practiced there by this man Huntley ?—A. That seemed to be the result of it. It was self-evident. The records will show that the service was continued, and these large sums paid.

Q. Continued by the Postmaster-General in defiance of the protests of all those good citizens and officials ?—A. Yes, sir ; who appeared in person. I was not the only one who appeared in person to him by any means. At the time that I went, as that letter shows, for some reason our delegatorial representation had lapsed, and we were without a Delegate.

Q. Do you know that the postmasters at Helena and other points in Montana complained to Mr. Creswell that these frauds were being perpetrated ?—A. I am quite confident that the postmaster at Helena did, at that time and several times. Although not positive, I am satisfied that he did.

Q. Do you know of Judge Evarts keeping an account of the letters that were passing over that route so as to ascertain just about what the amount of mail was that was carried over it ?—A. His conversation with me was of this character, and I believe him to be a very responsible and reliable man. I believe that he knew what he was talking about. There was no guess-work about it. He had seen the post-office returns there in the Territory. I judge that he must have accompanied this special agent, who, perhaps, might have come recommended to him as a Government official. I think he accompanied the agent to examine into the matter.

Q. What was Judge Evarts's statement in regard to it ?

(Mr. Cannon objected to the question.)

Mr. LUTTRELL. The witness has established the fact that it was common rumor ; that is, that almost every individual was complaining of these outrageous frauds that were notorious and existing everywhere along this line ; that complaints had been made to the Postmaster-General by the witness, acting in the capacity of agent for the citizens, and by

Judge Evarts, who was United States internal-revenue assessor; and that in the face of all these protests the Postmaster-General disregarded these protests and continued service over that route. I want to understand if the witness knows from his own knowledge, or from information which he considers to be reliable, how much mail-matter passed over the route; and I ask that he may state his information on that subject, and from whom he received it.

— Mr. CANNON. My objection to the question is that the witness was asked to state what Judge Evarts had told him.

(The committee permitted the question to be asked.)

By Mr. LUTTRELL:

Q. Just state what you heard from Judge Evarts, and postmasters and others, in relation to the amount of mail-matter passing through the mails.—A. I have often heard Judge Evarts make the remark that there was practically no mail over that route through the regular mail-service; that there was no service, so to speak; that the records, for instance, at Missoula and Walla Walla would not indicate the receiving or sending on an average of half a dozen letters a week over the route—the best they could show themselves—while he, himself, hadn't any idea that there was anything like that amount that passed over the route.

Q. Did you communicate these facts to Postmaster-General Creswell?—A. O, yes. The statement I filed there must be in the Department; if you could find that it would show what I did state at that time. I cannot recollect it all. I know I brought up all these points in that letter.

Q. Did you communicate the fact to Mr. Creswell that Judge Evarts had told you this fact and you were satisfied that that was the true state of facts?—A. I did not communicate to him what Judge Evarts told me, for, if I recollect, Judge Evarts was here to speak for himself at that time, and subsequently made strenuous efforts to have that route discontinued on account of its uselessness.

Q. He was here with you at that time?—A. I think at that particular time, or he was soon afterward. Though he was not co-operating with me at that time, but acting on his own responsibility.

Q. But you are satisfied that he made efforts, as well as yourself, to have the route discontinued?—A. Certainly he did. I am aware of that fact. There were one or more delegations of our folks here at Washington every winter, and many of our citizens would communicate to us requests on matters of this kind or of a similar character, inasmuch as our delegate was not in sympathy with the republican administration. It is certainly notorious, was at that time, and has been since and before, that there was practically no true service on that route; there was no necessity for the route; or, if at all, not oftener than once a month. Even at that time it could not be run the entire season, as I have stated before.

By the CHAIRMAN:

Q. Do you know to whom the contract was let?—A. At that time I am inclined to think it was in the hands of Mr. Herschfield. I think he was the nominal contractor, but it was being managed by other parties. He is a banker and broker in Helena. That was along in 1869, 1870, and 1871.

By Mr. LUTTRELL:

Q. Was Huntley connected with him?—A. Yes, sir; he seemed to be the superintending man both in the Territory and here. It was called Huntley's route, I believe.

Q. Was there a special agent sent out there?—A. Yes, sir; I remember of hearing our postmaster say that he was coming.

Q. What was his name?—A. Mr. Wickiser.

Q. Did you learn that Wickiser had recommended the discontinuance of that service over that route?—A. I was not aware of it at the time I went to the Postmaster-General.

Q. Have you since learned that he recommended a reduction of the service?—A. Yes, sir.

Q. And that was disregarded by the Postmaster-General?—A. That is certainly evident from the fact that the service was continued.

Q. In conclusion, I understand you to say that the Postmaster-General not only disregarded the protests of yourself, Evarts, and other good citizens, but also that of Mr. Wickiser and the postmaster at Helena?—A. We are obliged to acknowledge that he has.

Q. Disregarded everything of the kind?—A. It so seems.

By Mr. CANNON:

Q. Where do you reside now?—A. I am stopping here in Washington. I have rooms here with my family.

Q. Are you living here?—A. I have had business of a personal character that has kept me in Washington most of the time for the past five years.

Q. You have not lived in the Territory much, then?—A. Not permanently, since the winter of 1869-'70.

Q. Nominally you have a residence there, but in reality your residence has been here?—

A. That is the idea; yes, sir.

Q. Are you in business here?—A. Not definitely; no, sir. That is, I am attending to matters of my own, and for some friends. I have no permanent business here.

Q. When was this route established?—A. I could not say exactly.

Q. About when?—A. In 1866, perhaps.

Q. You were not living in the Territory at that time?—A. I could explain my connection with the Territory by saying that I took a pioneer party in there in 1862 which discovered and developed gold and led to the permanent settlement of the Territory. I went there again with another party in 1863; again in 1864; and then in 1866. I took my family and staid there permanently—my own family and three or four of my brothers.

Q. Were you living there all the time from 1866 to 1870?—A. Yes, sir.

Q. This route you think was established in 1866?—A. I think so; I am not positive.

Q. Have you ever examined the papers on file in the Post-Office Department to see on whose recommendation it was established?—A. No, sir; if I have, I do not recollect the circumstance. It is possible I did at the time I was there.

Q. Was it established as weekly or tri-weekly?—A. I think as weekly in the first place.

Q. Do you know when the service was increased to tri-weekly?—A. It must have been early in 1868; perhaps in 1867. Of course I only give my best impression in regard to the matter.

Q. Do you know upon whose recommendation it was increased?—A. No, sir; I do not.

Q. Who was Postmaster-General at the time it was first established—Mr. Dennison?—A. I suppose so; I presume it was somebody under President Johnson.

Q. And at the time it was increased who was Postmaster-General—Mr. Randall?—A. I could not tell you; not being there personally and connected with it in any shape or form.

Q. You think it was increased in 1868?—A. I think so; I only give you guesses.

Q. At the time it was established and increased Mr. Creswell was not Postmaster-General; I believe he came in under President Grant.—A. I could not say.

Q. General Grant was inaugurated in 1869, was he not?—A. Yes, sir.

Q. Then we have this route established and service commenced, whether it was right or wrong, upon such recommendations as you are not acquainted with, during the administration of Mr. Johnson. When was the first letting of this route under Mr. Creswell, do you recollect?—A. I suppose it followed soon after his taking possession. They are let every four years, I think.

Q. Have you a recollection now of the year when it was let?—A. No, sir; I could not tell you exactly.

Q. Do you know whether it was temporary service established?—A. It is now five years since I meddled with the matter at all—

Q. Of course I am not quarreling with your knowledge or want of knowledge. I simply want to know what knowledge you have about it. You do not know, then, whether at the time it was being carried in 1869 and 1870 it was being carried by the lowest bidder, or whether temporary service had been placed on it, the lowest bidder having failed?—A. In 1870, if I recollect, the contract was relet. Bids were offered as low as about \$19,000, even down to \$10,000, and one party even lower than that, I think. Still it was given to these parties.

Q. Do you know whether the party failed who made the lowest bid?—A. There was no failure that I recollect of. He stood ready to carry out his contract.

Q. The lowest bidder at \$19,000, or lower—A. I think it was considerably less than \$20,000.

Q. Let me finish my question. The lowest bidder at \$19,000, or lower, stood ready to carry out his contract to perform that service; but, notwithstanding that, do I understand you to say that somebody else took it at about \$170,000?—A. Yes, sir; it was let at about \$170,000. I think it was afterward cut down considerably, say \$65,000 or \$70,000.

Q. Who was that lowest bidder that stood ready to perform that service at his bid below \$20,000?—A. At the time I was familiar with it, but I could not tell you now.

Q. Are you positive that you recollect about the lowest bidder standing ready to perform his contract at less than \$20,000?—A. I have very positive recollections. I am firmly satisfied in my own mind that that is the fact, but I am liable to be mistaken as to the exact circumstances, of course. It was four or five years ago, and I have not paid any attention to it since, but my recollection is that bids of that character were put in in earnest by good and responsible men, and not accepted.

Q. Are you as well satisfied of that as you are of these other matters in the Territory you have been detailing?—A. Yes, sir; I am.

Q. You came on here in 1870 and 1871?—A. I came here about the 1st of January, 1870.

Q. And you made your statement, which you reduced to writing and filed in the Department?—A. Yes, sir; about a year after I arrived here. I was at the Department several times during the interval, but did not bring anything to a focus until a year or so afterward.

Q. When you reduced that statement to writing and filed it in the Department, and the Postmaster-General took it under consideration, he did reduce this force to once a week, or cut it off entirely?—A. Yes, sir; it was not long afterward that he did that.

Q. Do you recollect whether you filed that statement with the Postmaster-General in person, or with the Second Assistant Postmaster-General?—A. I carried it in to Mr. Creswell. He was the man that asked me to make it.

Q. Did he sit down and read it, or refer it to the Second Assistant Postmaster-General?—A. My recollection is that he had heard my verbal statement before, embracing these points that I stated in writing, and he said that it would not be necessary for him to read it or hear it read again; that he would have it referred, and the subject considered at once, or something of that character.

Q. I believe the Second Assistant Postmaster-General does the contracting, and makes the orders with reference to these matters?—A. Yes, sir; I believe so. I have never had any contracts, so I am not particularly positive.

Q. As a matter of fact, I believe that is so?—A. I think that is so.

Q. You went up to Minnesota in the spring of 1871, and staid several months?—A. During that summer I was absent, and, I think, in Minnesota.

Q. After you came back, you found that this service was again put up to three times a week?—A. Yes, sir.

Q. Did you see all the petitions that were filed in the Department, upon which the Department acted?—A. They showed me their authority. I asked quite earnestly to see it.

Q. Do you recollect how many petitioners' names were on the petition?—A. It was quite a long petition.

Q. Can you repeat their names?—A. No.

Q. Were you acquainted with the handwriting of the men who purported to sign the petition?—A. No, sir.

Q. From your knowledge of the handwriting of any of them, could you say that it was a forgery?—A. I questioned its correctness and genuineness very much.

Q. I want to get at your positive knowledge upon that specific thing. I want to know whether you can state that the name of any person that purported to be signed to that petition was a forgery?—A. At the time I was satisfied that I discovered the names of several persons with whom I was personally acquainted, and whom I knew to be desirous, as public-spirited citizens, that this abuse should be corrected. They had so expressed themselves to me.

Q. I will ask you the question again: from your own knowledge of the handwriting of the men who purported to sign that petition, can you say that any name upon it was a forgery?—A. No, sir; I could not say that.

Q. Who indorsed this petition—anybody?—A. I could not say; I believe the Northern Pacific folk had some sort of an indorsement upon it.

Q. Who were they?—A. The officials of the Northern Pacific.

Q. Do you recollect their names, or any of them?—A. No, sir; I do not; I could only state the general character—that it embraced the indorsement of the leading friends and officials of the Northern Pacific enterprise.

Q. Did they sign in their official capacity?—A. I think they did.

Q. As president, vice-president, attorney, and so on?—A. Some of the officials of the company.

Q. Do you know whether they constituted the majority of the officials of the Northern Pacific?—A. No, sir; I do not; I took it to be a very frank indorsement of the company if it were genuine.

Q. What Delegates of Territories indorsed it?—A. I did not see any.

Q. Do you know a man by the name of Garfielde, a former Delegate from some of the Territories?—A. Yes, sir.

Q. Which Territory did he represent?—A. Washington, I believe. You asked me if I knew him; I know of him only.

Q. Walla-Walla is in Washington, is it not?—A. Yes, sir.

Q. Where is Missoula?—A. In Montana.

Q. It is not a great way from the line, is it?—A. A hundred miles or so.

Q. You do not know whether Mr. Garfielde indorsed that petition or not?—A. I do not; I do not recollect that he did.

Q. Was he a Delegate from Washington at that time?—A. That I am not positive of; but I think he was.

Q. Who was the Delegate from Montana at that time?—A. We had no Delegate at that time; James M. Cavanaugh had been, but his powers had lapsed on account of some failure to provide for an election.

Q. Who was the last Delegate before that—Mr. Cavanaugh?—A. Mr. Cavanaugh—yes, sir.

Q. Do you know whether he indorsed it or not?—A. No, sir; I do not; I do not recollect that he indorsed it.

Q. Do you know whether any United States officials, either of Montana or Washington, indorsed it?—A. No, sir; I do not recollect that any did.

Q. You do not recollect that they did, or did not, or have you any recollection on the

subject?—A. I should say that they did not; that there were no officials from our Territory.

Q. As to Senators or members from Oregon, do you know whether any of those indorsed it?—A. I do not recollect that they did; I am inclined to think that there were several outside indorsers. It is more an impression with me than an actual knowledge of the names of any particular persons.

Q. Did you say you passed over this route after it was established?—A. No, sir; not after it became a post-road, but prior to that.

Q. From actual passing over the route yourself, and inspecting the mails, can you state the amount of mails that passed over the routes, from your own knowledge?—A. No, sir; I cannot. We were in a position to learn almost everything that was going on in the Territory in connection with the Territory, pretty directly.

Q. I am asking from your own knowledge in regard to the matter.—A. Personally I was not on the route during the time of that service; that is, no further than Missoula. I was down that far.

Q. I will ask you to state whether you know, of your own knowledge, that trips were made upon that route?—A. No, sir; personally I could not say without being there and watching.

Q. Do you know whether any fines and deductions were made, of your own knowledge, for non-performance of the service?—A. I never heard of any.

Q. That was not a matter that would come under your supervision. You were not in an official position at that time; you were not Second Assistant Postmaster-General?—A. No, sir.

Q. Have you ever examined the registers and certificates of the Second Assistant Postmaster-General, or of the Sixth Auditor, to know whether fines and deductions were made; and, if so, what amount?—A. I have not.

By the CHAIRMAN:

Q. Did you ever talk with anybody in the Post-Office Department about fines?—A. No, sir; I never heard of any such thing.

By Mr. CANNON:

Q. You never heard anything of any fines or deductions upon any route in the whole country, did you?—A. Yes, sir; I have frequently.

Q. You have heard it spoken of, but is it so that you could have exact knowledge of it?—A. I could not, unless it were brought to my personal attention particularly.

Q. Is there a service upon that route now?—A. I think there is.

Q. Tri-weekly?—A. I could not say; I have not made any inquiries, in particular, into the matter of late.

Q. You have not been much interested in the matter of late years?—A. I have had no particular occasion. We have a Delegate here who is quite competent to attend to those matters, and I think shows a disposition to do so.

Q. Are you still interested in the paper in Montana?—A. I have no personal proprietary interest in it; I feel an interest in it otherwise, as it is owned by my brother.

Q. When did you lose your interest in the Territory, so that you did not look further after this mail-service?—A. Well, sir, I felt that it was very little use to look any further; I tried with a good deal of zeal to accomplish certain reforms there in that way.

Q. My question is, when did you, from any cause, lose your interest in and cease to look after mail-matters in that Territory?—A. I judge about 1872.

Q. What was the amount of money in the years 1869, 1870, and 1871, respectively, that was spent for carrying the mails in Montana Territory upon the Walla-Walla and Missoula route?—A. I have not taken any pains—if I may answer you in that way—to consult any official papers, documents, or persons to post myself in regard to this matter, and, of course, in my testimony I can only give you such things as were impressed upon my mind at the time they occurred.

Q. I understood you to say that in 1869 and 1870, the greater part of the money that was spent for the mail-service in Montana Territory was upon the Walla-Walla and Missoula route?—A. That is my impression.

Q. I want you to state how much was spent upon the Missoula route?—A. I think it was about \$170,000 per annum; that is my recollection.

Q. How much was spent upon the other routes?—A. I could not say. My impression is that that embraced a larger amount than the total of the whole of the other routes.

Q. Is it impression or knowledge that you have?—A. It is an impression.

Q. Do you know how you got the impression?—A. From a fair knowledge of all the other routes there, and about the prices paid.

Q. Did you ever examine and count the number of other routes and find out what the pay was on each?—A. I think at one time I did.

Q. Where was that?—A. About the time I was making an effort in this matter.

Q. In 1869, 1870, or 1871?—A. About 1871, probably.

Q. Be kind enough to state the pay, say in the aggregate, upon the other routes?—A. I made no memorandum of it, and, therefore, I fail to recollect.

Q. Did you ever see the report of Colonel Wickiser, special agent, at the time he went up there?—A. No, sir.

Q. You do not know what it contains, then?—A. No, sir; only from an impression I have derived from statements made to me that he recommended its discontinuance.

Q. Who made that statement to you?—A. Judge Evarts, and somebody else. There were several. It was along about 1872, I think.

Q. Did you ever see the report?—A. Not to my recollection. From what they said, I think Judge Evarts was with him on his trip, if I recollect right.

Q. Did he go over this route from Missoula to Walla-Walla?—A. I do not suppose he did; it is a good deal like going to the edge of the ocean, and then going round and seeing it on the other side. I suppose they visited the last postmaster at this end and then went around to the other end.

Q. Did they do that?—A. I could not say; but that is my impression.

Q. How did you get that impression?—A. Well, sir, it would be almost a season's campaign to make the journey, and I do not think they undertook the journey across there.

Q. How do you know that they went to the other end at all?—A. They may have delegated some other party.

Q. How do you know they delegated a party?—A. Of course, I should, perhaps, be more careful in answering the questions, but we were talking in a conversational way about that matter.

Q. What I want to get at is your knowledge on the subject.—A. I am not at all posted from personal, positive knowledge, so to speak, about what Mr. Wickiser did. I only have an impression from persons I have talked with about it. I have heard of Mr. Wickiser, and I think met him once or twice years ago. I have heard he was quite an efficient special agent of the Post-Office Department, and was going to Montana to look after that matter.

Q. Have you heard that he went?—A. I am satisfied that he went; persons have stated to me that he did go.

Q. Do you know where he is now?—A. No; he was then stationed, I think, in Utah. I have not met him for a number of years.

Q. Giles A. Smith was Second Assistant Postmaster-General at the time you speak of?—A. That is my recollection.

Q. Did you have some conversation with him about this route?—A. I think I did; but not in particular. My main conversation was with the Postmaster-General. I took my written statement to him, and in some subsequent interview I did meet Mr. Smith in regard to some other matters, I think; some little post-route, or something; I do not know but I met him at that time for a short conversation.

By the CHAIRMAN:

Q. Have you ever had any conversation with Huntley, or any of the contractors, about this mail?—A. Nothing to speak of. I may have said to them in a casual way that they would have to get out of that, or something of the sort; that they were getting more than they were entitled to, and perhaps might be doing better business, or something of that kind. I never sat down to have any medicine talk with them.

Q. You never heard them make any statements about how they secured any contracts and kept them?—A. No, sir.

By Mr. MILLER:

Q. Did the Huntleys and this company know that you were in Washington working against them?—A. They knew I was here. I met the Huntleys very frequently. I did not regard myself as working against them.

Q. Did they know that your paper was taking grounds against them?—A. I think so. The ground was not against Huntley or his party, however.

Q. Against the route?—A. I think so. Of course they must have known that, for they were at the Department every day, and those men are in the direct and immediate confidence of the Department. They know everything that affects their route from day to day.

Q. They never approached you to get you to withhold your opposition to them?—A. No, sir.

Q. In that meeting, in the conversation you had with the Postmaster-General, you suggested that the route should be discontinued or the service largely cut down?—A. Yes, sir.

Q. And when he took action for the time being he followed your suggestion?—A. He did; I so regarded it, and I felt very much gratified, and so reported to our folks at home. It was mentioned there as a matter of congratulation.

Q. When you saw the petition you were staggered by that?—A. Yes, sir.

Q. If the petition had been genuine, and all right, you would not have been so much surprised at his action, I suppose?—A. No, sir; I did not think it possible that the persons' names I saw on that petition could have deliberately signed any such thing, and I think so still.

By Mr. LUTTRELL:

Q. Did you or did you not at that time hear it rumored or stated in the Department that

those names had been cut from another petition and attached to this petition?—A. There were various suggestions of that kind made to me as an explanation of that by parties outside, and I think by somebody in the Department, though it may not have been an attaché of the office. There were various reasons given, for I felt quite indignant myself, and spoke of it to any friends I met coming from the office and even in the office. I expressed myself quite freely at that time, and the intimation you mention was made to me by several persons at times. In the first place that it was a very easy thing to get up petitions here in Washington, and it was admitted to me that they were even familiar with the place where it could be done, but they did not tell me where. It was said that such things were gotten up by the yard, &c.

WASHINGTON, D. C., *March 17, 1876.*

STILLMAN A. DANFORTH sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Chicago.

Q. What is your occupation?—A. I am attorney and collector for the house of W. M. White & Co., wholesale grocers.

Q. Are you acquainted with the firm, or with any members of the firm of Barlow, Sanderson & Co., stage contractors?—A. I am.

Q. Do you know all the members of the firm?—A. I do.

Q. Who is considered the principal of the firm?—A. Mr. Barlow has always been considered the financial man; Mr. Sanderson is the general superintendent of the line.

Q. Who are the members of the firm as far as you know?—A. When I first knew the firm and knew of their business, it was Bradley S. Barlow, J. L. Sanderson, and Thomas Barnum. Thomas Barnum was the least prominent of the company, and is now out of the concern.

Q. Where does Mr. Barlow reside?—A. His residence is Saint Albans.

Q. Where does Mr. Sanderson reside?—A. Saint Louis.

Q. Where is Mr. Barnum now?—A. At Saint Louis.

Q. Who compose the present firm of Sanderson, Barlow and Company?—A. The only members that I am aware of in the present firm are Mr. Barlow, Mr. Sanderson, and Mr. Parker. I am not acquainted with Mr. Parker. I believe he is interested in the California routes.

Q. When did you first know the firm?—A. In 1869.

Q. Where were you living at that time?—A. My family resided in Chicago, but I was land and ticket agent of the Kansas Pacific Railroad, at Kansas City, Missouri.

Q. Where did Barlow and Sanderson have their office, for business purposes?—A. Their office and mine was virtually one room. There was only a board partition. It was on Fourth street.

Q. Who kept their office; who was their agent or clerk?—A. John R. Griffin was cashier and book-keeper.

Q. Were you acquainted with him?—A. I was.

Q. Was it a familiar acquaintance?—A. Very; we were very intimate.

Q. You say that you occupied adjoining rooms. Do you mean offices?—A. The office, as I have said, was the same as one, except that there was a board partition between, connecting with an open door; that is, one fire heated both offices.

Q. Were you familiarly acquainted with any member of the firm during that time?—A. I was.

Q. Which one of the members of the firm, or how many of them, if more than one?—A. J. L. Sanderson more particularly.

Q. Did you have conversations frequently with Sanderson in regard to his mail-business?—A. I did.

Q. Did you have conversations with Mr. Griffin, the clerk, in regard to this business?—A. Almost every day.

Q. Did you have any knowledge of where their routes extended—over what parts of the country?—A. In general, I did; that is the Santa Fé, the Fort Scott, and the Pleasant Hill routes, as they call them. I never knew their numbers.

Q. You had general information upon these routes?—A. Yes, I had general information on the Santa Fé route, the Fort Scott, and the Pleasant Hill routes.

Q. Did they have a very large business?—A. I should think they did, from reports that I saw on their books and from the verbal reports that I heard.

Q. You, then, did see their books?—A. O, yes, frequently.

Q. State to the committee if you have any information about the books and accounts as charged up against each member of the firm. Have you knowledge sufficient to understand how money was paid out by that firm, and to whom?—A. From what I observed on the books and from their method of keeping them, as shown me by Mr. Griffin, their book-keeper, I understood it in this way: Mr. Barlow drew all the mail-pay. It was charged up

to him. They then had a private personal account. They also had a general company account. Mr. Griffin, the cashier, on his quarterly or monthly payments, as he wanted money, would notify Mr. Barlow of the amount needed, or, rather, usually, Mr. Sanderson, and sometimes both, and it would be forwarded to him.

Q. Forwarded to whom?—A. To Mr. Griffin, the cashier, to pay for the deficiency on the route. Where the earnings were not sufficient by passengers and express, they would draw from Mr. Barlow, on the mail-pay, enough to liquidate the balance.

Q. Did you and Mr. Griffin have conversations frequently about the company and their business?—A. Yes, most every day or two; very frequently.

Q. You say the money was sent out for the purpose of paying for the expenses of their routes when the passenger-fares and other income accruing from the route did not pay the expenses thereof?—A. Yes.

Q. The balance was sent out by Mr. Barlow on a requisition from Griffin, or a statement from him?—A. Yes.

Q. Do you know now, from an inspection of those books, or from information gotten from Mr. Griffin, or from either one of those contractors, that they ever used any money for the purpose of getting mail-contracts?

Mr. CANNON. I object to that question, for the reason that the books themselves should be produced, if any entries were made therein, and for the additional reason that it is merely hearsay asked for on the part of Mr. Griffin, an employé of Barlow, Sanderson & Co., and not the highest nature of evidence: and it is, further, not shown but the primary evidence can be readily obtained.

(Objection overruled.)

The witness replied to the preceding question in the affirmative.

By the CHAIRMAN:

Q. State to the committee how you obtained that information, and what the information was.—A. I will make use of and repeat their own language. In showing me the amount which was paid, John R. Griffin and J. L. Sanderson said they had to pay these Government officials down here—"keep them greased"—that was the expression; that you could not get them to carry a paper from one Department to another without giving them money for it, and that it took a pile of money to keep them greased.

Q. Who especially said that to you?—A. Mr. Sanderson has said it to me, and also Mr. Griffin.

Q. Was there anything said in that conversation, or was anything pointed out in the books, showing the amount of such disbursements?—A. There was.

Q. If you remember, and can approximate to the amount, state the same to the committee.—A. The only particular time and amount that I can remember was in 1870. My attention is more particularly directed to that point, because Mr. Griffin was absent, and during his absence I received a package containing \$28,000.

Q. Did you receive that for the firm?—A. Yes; it was in New York drafts. The subject came up then, and Mr. Griffin told me that he laid aside a portion of the \$28,000, in addition to some other money which he had, to be used down here on the July lettings of 1870.

Q. Do you mean to be used down at Washington?—A. Yes, at Washington; and he repeated about the same language—that it took a pile to keep those fellows fixed up.

Q. Did you ever have any conversation of the same character with Sanderson himself?—A. I have.

Q. What did Sanderson say about it?—A. He repeated just about the same thing.

Q. Did you have more than one conversation with him in regard to it?—A. O, yes; he and I talked it over, I presume to say, twenty-five or thirty times. We roomed together when he was there, and used to sleep together. He frequently spoke of it.

Q. Can you repeat some of the conversations that you had in regard to this matter of paying out money: did he name any particular persons?—A. I cannot remember the names, because it was of a general, sweeping character; that is, the amount of money that he used here for these "critters," as he used to call them, to keep them greased. He may have called names. I would not state whether he did or not. At any rate, I do not remember them. I did not pay much attention to it, any further than that I thought it was pretty heavy on him, and he spoke of it in that light.

Q. You say Mr. Griffin said it was received, and it was to be added to another amount that they had. Do you know who took that money or what was done with it?—A. I do not. I never saw it paid out.

Q. Who took it from there?—A. I do not know that. I never saw it after it passed out of my hands into the hands of Mr. Griffin.

Q. How did the money happen to be sent to you?—A. It was not sent to me. It was sent to him, to Griffin, by express, and the orders given to the express office, during the absence of Mr. Griffin, were that I was to receive all packages which came to his office. I received it, as I have said, for them.

Q. And the conversation which occurred between you and Griffin in regard to it was when you delivered the package to him?—A. Yes; that followed right in the train of it. I used to take charge of his office when he was away, and he used to take charge of mine whenever I was away.

Q. Did you ever have any conversation with any member of that firm in regard to the evidence there was on the books showing that money had been paid out for fraudulent purposes in relation to mail-contracts?—A. The only conversation I remember was once Mr. Griffin said to me that they had to pay one man down here regularly every quarter \$5,000; every quarter he had to have his \$5,000; that is, \$20,000 a year.

Q. Did he use any name in that connection?—A. If he did I have forgotten it. I do not know that he mentioned any.

Q. Did you ever have any conversation with Sanderson in which he stated to you that the evidence which was contained in their books in regard to these frauds had been destroyed?—A. I did.

Q. Please state to the committee what he said about that.—A. That was last May. I met him in Saint Louis; I think it was about the 28 h of May. I can tell, however, exactly, by referring to my diary. [After referring to diary.] I have made a note here on May 26: "Saw Sanderson; showed him letter from P. M. Gen." That is the Postmaster-General. I received a letter from the Postmaster-General, requesting me to outline any information which I had in regard to this matter. I never answered his letter, because I considered Mr. Sanderson my friend, and I did not want to do him any dirt. I showed him that letter, and he said, "Well, they cannot do anything. We got together, and all the papers that would show anything we have burned." That was his reply. He said, "we;" he did not call any names.

Q. Did he say anything in that conversation about your coming before any committee, or giving evidence in any way?—A. He did not at that time. It was but a few minutes that I saw him. Previous to that we had had a little interview at the Planters' Hotel, Saint Louis. He spoke of it then. I think that was in 1874.

By Mr. CANNON:

Q. The last matter of which you spoke occurred in 1875?—A. Yes; the interview that I had with him in regard to being called here, and about forgetting certain facts, was Friday, the 24th April, 1874. [Referring to diary:] "Interview with L. L. Sanderson at the Planters'."

By the CHAIRMAN:

Q. That was out at Saint Louis?—A. Yes.

Q. Please state what occurred in this conversation in regard to this particular business.—A. The main point was in regard to my either signing bonds or putting in straw bids, or whether or not I could remember it. He said, "You cannot remember everything that transpired there, and you don't want to, either."

Q. The idea was, then, that he did not want you to remember in regard to signing straw-bids or bonds?—A. That was my inference.

Q. That was straw-bids and bonds for his contracts?—A. I could not tell how many of them I signed, nor what they were; but if they were produced here, of course I should recognize my handwriting. I presume that they are on file in the Department. Mr. Barlow told me this morning that they generally kept those papers.

Q. He is the principal of the firm, who lives in Vermont?—A. Yes. He is in Washington now.

Q. Did you ever have any conversation with Mr. Barlow in regard to this matter?—A. No, sir. I never saw Mr. Barlow but once, and that was two years ago. I met him here in the Postal Department, in Mr. McGrew's, the chief clerk of the Sixth Auditor's Office. I made myself known to him, and he said he had known me by reputation through his partner, J. L. Sanderson. He said, "You are not down here after anything on us, are you?" I told him, No; I was hunting for crooked-whisky thieves. That is all the conversation I had with him. I never saw him previous to that, nor knew anything about him.

By Mr. CANNON:

Q. When was that?—A. Two years ago, I think, about the 14th of March, 1874. I know I came to Washington on the 4th, and staid here some six weeks working on that matter, and happened to meet him during the time. That is the only time I ever saw him till I met him to-day.

Q. Did you ever hear Mr. Griffin say anything about the destruction of the evidence on the books?—A. Not that they were destroyed. I heard him say that they could not tell anything by the books where the money was used at this end of the deal; that Mr. Barlow could tell that part of it if he chose. He never saw him pay any money out here, or whom he paid it to. He knew they used a large amount here, and that was all he knew about it.

Q. At the time that you speak of having signed these straw-bids and contracts it was under the old law, was it?—A. It was in 1870. I do not know when the law was changed.

Q. Under the present law they have to send a certified check with the bid?—A. That law has been passed since, because I talked that matter over with them. They were the instigators of that amendment.

Q. State in that connection what conversation you had with Mr. Sanderson on that certified-check business. You say they were the instigators of the amendment.—A. Mr. Sanderson told me that they got that bill put through for the purpose of keeping out that "small fry,"

as he called them, that were throwing in bids and bothering them on their contracts; that they hadn't the money to put in, and consequently it would clear off these outside fellows who were annoying them by throwing in so many bids.

Q. Was there anything said in that conversation about Mr. Barlow being a banker, and that he could arrange those certified checks without any outlay of money?—A. O, yes. They said they could handle those things. They said Barlow could put up on the bids. In fact they always had money enough.

Q. Do you know that Mr. Barlow was a banker?—A. Yes; and we have talked over about his relations in that bank at Saint Albans, and how much they owned of it, and how much Smith, the Vermont Central man, had in, and they were trying to get him out. Our relations were intimate, and I guess we talked over everything.

By Mr. CANNON:

Q. Who was this conversation with?—A. J. L. Sanderson. I could not remember half we ever talked over. It would be volumes.

By the CHAIRMAN:

Q. Sanderson's employment was superintendent?—A. Yes. His name was borne on the time-card as superintendent of the route.

Q. Did he often visit Washington?—A. Yes. He used to frequently come down here. I know his name was always signed to my passes over the route. I had annual passes over the road.

By Mr. CANNON:

Q. Do you say that you had annual passes over their mail routes?—A. Yes. I used to have passes all over the railroads in that connection—over pretty much all the railroads in the United States and the Canadas. I hold two of their annual passes over their routes now.

By the CHAIRMAN:

Q. Did Sanderson ever name to you the amount that he had to pay out yearly, or that the firm had to pay out here—I mean the gross amount?—A. Not that I remember. Only he would speak of it as a large amount.

Q. Did he ever say anything to you about the amount of money which you alluded to, and which Griffin alluded to, that was put up and sent here?—A. Yes.

Q. What did he say about that?—A. He said that he had to have a pile of grease to grease those fellows down there.

Q. Did he mention who they were?—A. I cannot remember that he mentioned men, but I remember when I handed this \$28,000 to John, John said, "Now, this makes \$42,000 that I have got here in the office." I told him I didn't feel safe sleeping in that office if it was known outside that that amount of money was there. He said nobody knew it. We had a small safe there, not much better than a candle-box, where he kept it. I used to take it out and put it in bed sometimes.

Q. Did you understand from conversations between them that the whole of that \$42,000 was to be paid?—A. I inferred that a good portion of it had to be laid aside for "grease."

Q. How long was it afterward before Sanderson came to Washington?—A. He was down here six or eight weeks. He wanted my mother to go down and stop with his wife. She was rather feeble in health at that time, and he insisted that my mother should go there as company for her while he was there, and my impression is now, from memory, that my mother was there with his wife between six and seven weeks while Mr. Sanderson was here in Washington.

Q. Do you know where Mr. Sanderson is now?—A. Only from hearsay.

Q. He lives in Saint Louis?—A. Yes. Mr. Griffin said he saw him there on Monday last, and that is all I know about him.

By Mr. LUTTRELL:

Q. Can you mention the names of any parties to whom money was paid by the firm of Barlow, Sanderson & Co.?—A. I cannot.

Q. Did Mr. Sanderson represent to you that they were men in the Post-Office Department?—A. He did.

Q. Did you learn the grade or office that they held; whether it was the Postmaster-General, the First, Second, or Third Assistant, or Auditor?—A. I cannot say who it was or what their position was. He spoke of "these fellows down here." He used to call them "these fellows down here at Washington." He gave to one of them a pair of horses and a top buggy, and a pair of Concord harnesses.

Q. Do you know in what office that man was?—A. I do not.

Q. Do you know whether he was a contract-clerk, or do you know whether or not he was in the ticket office?—A. I do not.

Q. Do you know who the attorney was of Sanderson, Barlow & Co.? Did they not have an attorney here in Washington, or somewhere near here, to attend to their business?—A. I could not say whether they did or not. I never knew him, never met him, and do not know

that I ever heard his name mentioned. I cannot now remember that his name ever was mentioned in connection with their business.

Q. Did you ever see those horses, or know what kind of horses they were?—A. No, sir; I never saw them. Mr. Sanderson told me that he made one of these fellows that present. I think he told me what he gave for the outfit, but I could not now state the amount.

Q. Did you ever hear of his giving a diamond pin to anybody?—A. I did.

Q. To parties in the Department?—A. To somebody in Washington.

Q. How did you hear that?—A. Mr. Griffin, if my memory serves me right, told me about that; that he had to give one of those "critters" down here a diamond pin for doing a little "greasing." I think those are the only two persons he ever mentioned.

Q. Do you know what the value of the pin was, or did he state it?—A. It seems to me, although I would not say positively, that it was a \$1,000 one. I know we made the remark at the time that it must have been a pretty nice pin.

Q. You say that this man Sanderson put in a lot of straw-bids?—A. I do not say that he did. He got some of the rest of us fellows to.

Q. Do you know how many of those straw-bids were put in?—A. No; I do not. I think there was some five or six of them, and I do not know but that there were more. I know I signed several of them; whether they were bids or bonds I do not know. He was telling me how he was putting up the deal to get the contract, and I asked him "if there was anything criminal in my signing those papers." He said, "No, it did not amount to anything; it is merely to fill a hole." I said, "That is about as much as I would amount to." He said, "I can get Foster to certify as to your responsibility if you give the bonds, and it won't amount to anything."

Q. Who was Foster?—A. He was the postmaster in Kansas City. He said that the bonds had to be certified by the postmaster to the Department in Washington. I had no wealth to amount to anything. I thought I was getting into a deal that was a good deal beyond my depth. I asked him the question if there was anything criminal in my putting those in. He said then that there was not, and said, "If you do not appear to carry the mail, then I will get it." We talked it all over the way he was fixing that.

Q. He was putting up a job on the Government?—A. Yes, sir; that is the plain English of it.

Q. Did he make any remark that if he got the bids in here he would have no trouble in getting the contract at his own figures?—A. He said this: "If you do not appear there on the first day of July, the day to carry the mails, John will be down here at Pleasant Hill, and Tom will be at another place, and Charlie Reynolds at another, and Lew Barnum at another, and on the 1st of July if there is nobody to carry the mail and you do not come in"—and I said that I was not going out there to drive any mail; "then I have the right under the law to make a contract to start the mail out that day. The mail has got to go any way, and the rest of it we can fix down there at Washington, and then I will get back on the old price and the old contract again."

Q. Did Mr. Sanderson make any statement to you in relation to Mr. Jewell's action toward him?—A. Not calling any names that I remember.

Q. You say Mr. Jewell wrote for you, soon after coming into office, asking what you knew about this matter?—A. Yes, sir; I have his letter here. It is under date of April 21, 1875, and is as follows:

"The Postmaster-General is in receipt of a letter from Geo. Bronson, esq., of Chicago, stating that you are in possession of information by the use of which this Department can unearth frauds that would be of infinite interest. I am requested by the Postmaster-General to invite you to outline the information by letter that he may judge of the scope of the points you have.

"Very respectfully,

"J. M. KNOWLTON,

"Chief Clerk."

Bronson was the party it seems who had told the Postmaster-General. That may, perhaps, need an explanation without going into the details: it is a case that has no reference to this except by inference, which drew out this letter. Bronson and I were working these whisky fellows up in Saint Louis. We started that in 1873. Sanderson said to me in Saint Louis, "Hell, it's no use for you to try to go and fight these fellows; they will tramp you into the dirt; you have not money enough to give them a fight." He said, "You have got to grease these fellows. You cannot speak to them without they hold their hands out for money."

By Mr. CANNON:

Q. What fellows was he referring to?—A. He was referring to the Government officers to whom I was pressing my case in regard to the whisky thieves. Outside, with Bronson, I said to him, "You heard what Sanderson said there in regard to having money to hire these Government officials to take cognizance of this matter." He said he never could get anything through down at Washington without greasing them on his mail-contracts.

Bronson picks up the cue, and, it appears, writes to the Postmaster-General that I was acquainted with these facts, for he knew of our intimate relation for years, and this drew the letter from the Postmaster-General to me. I did not want to get drawn into it and I did not mean to come here and tell you what I have.

By Mr. McMAHON :

Q. When did you go into the employ of the firm with whom you are now employed ?—A. It will be two years on the 1st of May next.

Q. What had been your position at Kansas City ?—A. When I was in the office there I was land and ticket agent. I unearthed a big steal there and a big lot of thieves, and they promoted me, increased my salary, and put me in the position of general traveling agent.

Q. How long had you been in Kansas City, in the employ of the Kansas and Pacific Railroad ?—A. I think it is a little over three and a half years that I was with them. Previous to that I was collector for the Illinois Central Railroad.

Q. In relation to your connection with this whisky matter, was it under any employment by the Government ?—A. No, sir; I happened to hear of the facts in the case and went into it.

Q. Your business made investigations a part of your study, did it not ?—A. Yes, sir.

Q. What particular routes under Barlow, Sanderson & Co. fell under your observation, if any ?—A. The routes that I used to hear talk of, and put on the books kept there in the office, were the Santa Fé route, the Fort Scott route, and what they called the Pleasant Hill route.

Q. They all had their headquarters at Kansas City ?—A. Yes, sir.

Q. Griffin had charge of those books ?—A. Yes, sir; I used to see way-bills and bills of expenses.

Q. Do you know how many different headquarters this firm had ?—A. No, sir.

Q. Do you know where their headquarters were ?—A. Kansas City was their general headquarters.

Q. Did they keep books there for their Washington and Oregon Territory routes ?—A. No, sir.

Q. Do you know what bank they deposited in ?—A. They never used a bank; Sanderson did not go a cent on banks. He said he would not trust his money with them. That is the reason why I used to be a little alarmed sometimes, for fear somebody would get in and get at me some night, and get this large amount which I knew was kept in the office.

Q. Did Mr. Huntly belong to this firm ?—A. I never knew him. All I knew was Mr. Barlow, Mr. Sanderson, Mr. Burnham, and Mr. Parker.

Q. What routes did you bid on, if you remember ?—A. I cannot tell you. I merely did it to befriend him; that is, to assist him in this operation.

Q. Is Foster postmaster at Kansas City yet ?—A. I think not. I have only been there a few times since. My business in connection with the house for which I am now engaged has called me out in his region somewhat.

Q. Have you had a conversation with Mr. Barlow since you have been here ?—A. I had this morning.

Q. Did he inquire what you were doing here ?—A. He did.

Q. Did you tell him ?—A. I told him I was summoned before this committee.

Q. What passed between you in regard to the matter ?—A. I asked him whether or not these papers were kept on file here, [meaning the bids and bonds.] I could not tell whether I signed bonds for bids, or both. He said they were. I told him I was not going in there to tell a falsehood to protect anybody. He said that was right. He then said, "Can you remember everything that was ever said to you? You do not know of anything outside of that, do you?" I said, "Mr. Sanderson, you and I used to have a great deal of conversation." He said, "You cannot remember it all, can you?" I told him I could not. That is about the substance of it. Then he took Mr. Griffin on one side. What their conversation was I do not know. I told him I expected it would get me in State's prison before I got away from here, or worse than that, in a kind of joking manner, and I left him.

Q. Do you know what political influence, men of position, Senators, Congressmen, or any one else, were backing this firm ?—A. I never heard them speak of but one, and that was the representative from Kansas City.

Q. Who spoke of him ?—A. Sanderson. He never was the manipulator of this ring down here. It was Mr. Barlow who did that. What was done here was done principally by Barlow, and Sanderson talked it over with him. I know he always denounced in pretty severe terms the Government officials that he had to put up to.

By Mr. McMAHON

Q. What year was it that he was paying \$5,000 per quarter ?—A. My attention was called to it, and Griffin said, "Those books will show where they are paying one man down there regularly at Washington \$5,000 every three months." That was in 1870.

Q. You have spoken of matters at this end of the line; do you know of persons at the other end of the line that have been engaged with them, postmasters, or others ?—A. Not outside of Mr. Foster.

By the CHAIRMAN :

Q. Foster was at Kansas City ?—A. Yes, sir ; he was the postmaster there. I know him very well.

By Mr. McMAHON :

Q. Do you know anything more that you can now recall which would be of interest to the public and to this committee in connection with other contracts ? If so, it is your duty to state it.—A. I state nothing except in reply to questions asked me.

Q. I ask you now whether you know anything more in reference to other mail contracts or transactions with the Government, or persons in the employ of the Government ?—A. No ; I do not think of anything now ; if you do not let me off, perhaps my memory may be refreshed on some points.

Q. Did any Government agents come out in that country and have any dealings there, overlooking their routes ?—A. No, sir : not to my knowledge.

Q. Do you know anything about how the service was performed on their routes, whether properly or improperly ?—A. An idea occurs to me now which I will state before I forget it. Griffin told me that he had a box-full of papers over in Cooper's store, up in the third or fourth loft in the attic, and that if the revenue officers got hold of it hell would be to pay. I asked him how that was. He said that if they got hold of it they would catch them in his returns with the express matter. At that time they had to pay a tax on the receipts of the expressage. I asked him how that was. He said that he put it in short ; that is, on the revenue. After Cooper burst up there in business, John took that box, which was a boot-box, and carried it off to his house and put it in his cellar. I don't know what ever became of it afterward.

Q. Do you know that fact from his telling you or from seeing it ?—A. I saw the box up in his house at one time. We went down in his cellar. He used to keep a little keg of beer there.

Q. These books contained, I suppose, the true account ?—A. They were not books, they were way-bills.

Q. But they contained a true account of the business done ?—A. A true record has to be kept of the accounts with the express agents and messengers out on the road.

Q. When did this occur ?—A. In 1870.

Q. Before the income-tax was repealed ?—A. Yes, sir ; I think that was repealed in 1872 or 1873. I know I asked up in the revenue office the other day when the tax was taken off express-receipts, in order to find out about that.

By Mr. CANNON :

Q. You went to Kansas City, when ?—A. I went to Kansas City in April, 1869.

Q. From that time up to as long as you staid, you officed adjacent to this company ?—A. No, as I said to you, I was promoted from land and ticket agent to be general traveling-agent. That was in 1870. I was there in the office with them all the time, from 1869 to some time in July, 1870. I was then promoted, by order of the president of the company, to be general traveling-agent of the road. Still that was my headquarters. My oldest son I put in there as ticket-agent in my stead. That was my headquarters when I was back and forth in the interest of the road, or over the country for several years.

Q. From the time you went there in 1869, to July, 1870, you were constantly adjacent to them ?—A. All the time.

Q. And after that you were occasionally in and out ?—A. Yes, sir.

Q. Most of the time out upon the road, or about your other duties ?—A. Yes, sir.

Q. These talks that you speak of having with Griffin and Sanderson, and the time that you saw the entry upon the books ; if you did see the entry, were from 1869, to July, 1870, principally ?—A. Yes, sir ; principally.

Q. Did you have much talk with them after that ?—A. O, yes ; I used to be in Saint Louis a good deal, and would meet Mr. Sanderson, and have been out to Denver with him, and met him here in Washington.

Q. But the principal amount of talking, and the time you received this express package in Griffin's absence, was somewhere from 1869 to July, 1870 ?—A. Yes, sir ; that was when I was in the office.

Q. When did you sign these bids or bonds for Mr. Sanderson ?—A. In 1870.

Q. While you were in the office, and before you were promoted ?—A. Yes, sir.

Q. That was for the mail-lettings of what year ?—A. 1870.

Q. It was not 1871, but 1870 ?—A. 1870.

Q. Upon what routes did you sign bids or bonds ?—A. I could not say ; I could not tell whether I signed straw-bids or bonds. I presume to say I signed them both. I know they had quite a number in there.

Q. Did you go before any officer and acknowledge your signature ?—A. I either went before an officer, or else they had one in there.

Q. And you did acknowledge your signature ?—A. Yes, sir.

Q. Making affidavit ?—A. No, sir ; there was no affidavit. I did not swear that I was worth a half million money.

Q. You never did make an affidavit?—A. Not to my knowledge.

Q. Are you cognizant of the fact that it was certified by an officer before whom you signed, that you had made an affidavit?—A. I never saw Foster's name on them, only they told me they were going to take them up and get them certified by the postmaster.

Q. I am not now speaking of Foster; I am speaking of the officer before whom you acknowledged your signature.—A. I could not say whom he was, or whether I went up.

Q. But I am asking you now whether the officer made out a jurat as though you had sworn to any statement?—A. I do not remember whether they were fixed up after that, or what was done with them, and I could not say whether it was a bid or bond, or whether it was both.

Q. You are satisfied, however, that in no instance were you sworn?—A. I do not remember that I was.

Q. Are you positive upon that point?—A. I am quite positive about that.

Q. State whether you recollect that the officer certified that you were sworn in any case.—A. I could not say, for I did not see the papers after I put my name on them.

Q. But I mean at the time you did put your name on them?—A. I was not sworn by any notary public.

Q. The question is, at the time that you did sign these papers and acknowledge your signature, were you cognizant of the fact or afterward, that the officer had certified that you had sworn, although you did not swear?—A. I have no knowledge upon that point.

Q. Do you recollect how many of those bids you put in or how many bonds you signed?—A. No, sir; I do not. I know there was quite a number of them there.

Q. You state that you were not worth much at that time?—A. No, sir; I was not, and I am not worth much now, either.

Q. What pay, if any, did you receive from Mr. Sanderson or anybody else for signing these bids or bonds?—A. Not a dollar.

Q. How were you compensated for it?—A. In no way, shape, or manner.

Q. What made you do it?—A. As an act of friendship to him, to assist him in fixing up to get the next four years' letting.

Q. He told you that the object of it was to put up a job on the Government?—A. Yes, sir; that was the substance of it.

Q. You were not an officer of the Government at that time?—A. I was not.

Q. And out of friendship to him, you assented to help put up a job on the Government?—A. I did; to help him get a contract.

Q. Did you ever report this to any Government official?—A. No, sir; I never was asked a question about it.

Q. Did you do this at any other time except at the biddings of 1870?—A. No, sir.

Q. Were you ever notified by the Department that you had gotten any contract?—A. I never was.

Q. When did you leave the employment of the Kansas Pacific Road?—A. I think it was in May, 1873.

Q. Then you commenced looking after these whisky frauds?—A. Yes, sir.

Q. You weren't employed by the Government to do so?—A. No, sir.

Q. What was your intention as to getting your pay; did you suppose that you would get a moiety?—A. I was promised a moiety, but I never received a cent.

Q. Who promised you a moiety?—A. The district attorney in Saint Louis and Mr. Douglass, the Commissioner here in Washington. I never received a dollar, and paid my own expenses, transportation, and everything else.

Q. Did they come to you to get you to help work it up, or did you go to them?—A. I went to the district attorney. I went first to a Government official, Mr. C. W. Ford. He was the collector in Saint Louis. I stated the case to him, and I did not want to hurt him, because he was a friend of Sanderson. I told Sanderson that I had come over with my gun loaded for these whisky-thieves and Government thieves, and I said, "Ford is going to get hurt." Sanderson said, "You must not hurt Ford;" and I told him to tell Ford to get out of the way. He called on Ford, and the second interview I had with Ford I read the riot-act, and I told him that he was in the whisky-ring; that I knew that he had been receiving two dollars a barrel for all the crooked whiskey which was made there, and that I had positive proof of his meetings with the whisky-rings every Saturday night on the corner of Fifth and Pine, and I told him about his reporting a certain warehouse, and about tax-paid stamps being burned and destroyed. I told him that it was absolutely false, for I had some of them, and I knew where the balance of them was.

Q. You told him that he must get out of the way?—A. I told him that those were the facts. I said, "Now, if you can protect yourself, I come to you as a friend, on account of Sanderson. He is my friend, and I don't want to hurt you if I can help it."

Q. What was the bond between you and Sanderson that he had so much influence upon you?—A. Nothing except mere friendship. I like the man to-day.

Q. And that friendship carried you to the extent that, although you were acting upon the suggestion of the district attorney—A. I was not at that time; when I went to see Ford.

Q. It was subsequent to that?—A. It was subsequent to that that I had the interview

with Ford, and then he (Ford) begged of me not to make a move in the matter until he returned from Chicago. This was on Friday afternoon. The next week C. W. Ford was found dead in his bed in Chicago.

Q. Did Sanderson intervene to protect anybody else?—A. No, sir.

Q. Who is this man who gave information to the Postmaster-General?—A. George Bronson. He was the key they were using to unlock these things in Saint Louis. He used to be superintendent of the house of Beebes, Frazer & Co. there.

Q. You have done a good deal of detective business in your time?—A. I have.

Q. Is that your profession?—A. No, sir; but I was always very successful in it.

Q. You did some detecting for the Kansas and Pacific Road?—A. I did.

Q. And for that you received your promotion?—A. Previous to that I did a good deal, and have since that. I got one sweet duck out of Canada.

Q. It was all through friendship toward Sanderson. It has always been purely disinterested? There was no money consideration?—A. He never made me a present; yes, he made me a present of a puppy called Jim; it is the only thing he ever gave me. He never offered me anything. I took to the man, and I do to-day, and that was all there was about it.

Q. You still take to him?—A. I do; and I would have been glad to have kept clear from you fellows here. I made up my mind that I would not tell you anything until the Government did something for me for what I had already done for them.

By the CHAIRMAN:

Q. You have a claim pending before the Government now, have you?—A. Yes, sir; I told Mr. Rogers, the Assistant Commissioner yesterday, and he advised me to go right forward and do my duty as a man in the interest of the Government.

By Mr. CANNON:

Q. How were you going to help telling us anything?—A. I guess you could not get me to talk unless I wanted to.

Q. That is, you meant that you had it in your mind to refuse to answer questions?—A. Yes, sir; I made up my mind to refuse to answer any questions you might ask me, and take the consequences.

Q. And what finally determined you to testify?—A. The advice of Mr. Rogers yesterday and some of my friends. I thought I would try to be a man and not a mule.

Q. Who is Mr. Rogers?—A. He is Assistant Commissioner with Mr. Pratt, in the Internal Revenue Bureau. I told him that I felt that I had been dealt very unjustly by after my fidelity to the Government, surrounded with Government officials who were thieves; with the whisky-ring bribing me and wanting me to make figures as to my price to sell; and in the face and eyes of all that, and after performing services which I had, and after the results accomplished, that they should turn a deaf ear to me and to my claim for compensation and money expended. I thought it pretty hard.

Q. What did Mr. Rogers tell you in reply to that?—A. He advised me to come right forward here, and still do my duty to the Government, and he thought it would be better for me.

Q. Better for you how?—A. Well, I don't know that he pointed out how. That was the remark he made. He said, "It will be a great deal better for you to go forward and do your duty and answer all the questions the committee may ask you."

Q. You say you have a claim pending now before the Government?—A. I have before the Commissioner of Internal Revenue.

Q. For what?—A. For services in the whisky business.

Q. In 1873, or subsequent to that time?—A. From 1873 to 1875.

Q. You claim to have been chiefly instrumental in starting the whisky investigation in Saint Louis, do you?—A. I opened that ball in 1873.

Q. And you have been paying some attention to it since?—A. I have. Mr. Dyer certified that I had given him information there after he took the office of district attorney.

Q. Had Sanderson any interest with you in that?—A. No, sir.

By the CHAIRMAN:

Q. You said Dyer certified?—A. I have a certificate in my pocket from him, saying that my services and information since he had been in the employ of the Government were invaluable to the Government. He is the present district attorney out there.

By Mr. CANNON:

Q. You spoke of getting an express package of \$28,000 for Mr. Griffin in his absence, and and then enough was added to that to make \$42,000?—A. There was enough on hand to make \$42,000. Mr. Griffin made the remark, putting that down with the rest of it, "There is \$42,000 lying on the shelf."

Q. You felt uneasy about it?—A. I did.

Q. I understood you to say that that \$28,000 was in drafts?—A. Yes, sir; New York drafts.

Q. What was the balance that went to make up the \$42,000; were they drafts?—A. They were New York drafts.

Q. All New York drafts?—A. I won't say all, because he used to keep a thousand or two thousand dollars there in money.

Q. But they were nearly all New York drafts with the exception of probably a thousand or two thousand dollars in currency?—A. Yes, sir.

Q. There was nothing very dangerous about holding that amount of money in drafts there, was there?—A. I don't know. These fellows might consider that they could use them, when, in fact, they weren't good for anything without their indorsement; at any rate, I did not feel easy having so much money in the house, and I said to John, "Don't mention this to anybody else outside."

Q. What became of that money?—A. I never knew what became of it.

Q. Did Griffin tell you what became of it?—A. No, sir; not that I remember.

Q. Did anybody else tell you what became of it?—A. No, sir. I know Sanderson told John to set aside money there for five or six months, as he called it, to use for grease down in Washington, when he came here to collect.

Q. Your action, so far as it has been had in unearthing these frauds against the Government, has been what—for the good of the Government or for your pecuniary benefit?—A. Well, it is not wholly love.

Q. How much of it is for love and patriotism and how much of it for the more practical form of view?—A. I don't know that I could draw the line.

Q. Griffin and Sanderson were both telling you, as early as 1869 and 1870, that they were paying money to somebody in the Department at Washington?—A. Yes, sir.

Q. When did you first report that fact to the Government?—A. I never reported it to the Government.

Q. You state that they never gave you a name or names of persons to whom it was paid?—A. They never did.

Q. Did they tell you how they operated with it?—A. No. I don't know that they told me how. They said they had to grease these fellows here.

Q. Did they say anything about fictitious bids or arriving at what the bids of other people were, and changing bids, or using fraudulent stamps, or anything of that kind?—A. My memory is now, in regard to getting sight of some of the bids, that they did get sight of them before they were opened.

Q. How did they do so?—A. I don't know that.

Q. How much money did that cost them, if they stated?—A. I don't know that they stated the amount that they had to pay for that.

Q. You understood from both Griffin and Sanderson that they were using money for the purpose of bribing some person or persons in the Post-Office Department?—A. I don't say bribing.

Q. What do you say?—A. I say that they were using that money down here to grease these fellows, these Government officials; whom they were I do not know, nor do I know the position they hold.

Q. I am not asking you who they were. Did you not understand, when they said that they were using it for the purpose of greasing somebody in the Post-Office Department, that they meant bribery?—A. I inferred that, but they did not say bribery; they said greasing.

Q. That took place in 1869 and '70?—A. Yes, sir.

Q. This amounted, as you gathered from them, to a very large sum of money?—A. They said it took a pile to grease them.

Q. And through motives of friendship to Sanderson you never mentioned that money till, in 1873, you casually spoke of it to Mr. Bronson?—A. Yes, sir; that was in connection with our whisky business—that we had got to have money to grease the Government officials, the same as Sanderson did in his mail-contracts. He then repeated it to the Postmaster-General, and drew out this letter to me from the Department.

Q. Why did you not answer that letter of the Postmaster-General?—A. Because I did not want to have anything to do with it.

Q. Why, wasn't there any money in it? Was that the reason?—A. I didn't see any.

Q. Was that the reason that you did not answer the letter?—A. Well, that, and that I did not want to stir up any trouble for Sanderson.

Q. Then your friendship to Sanderson overbalanced your zeal for the good of the Government in that connection?—A. I didn't want to hurt him.

Q. Was that the prevailing reason in your mind, or was it that you did not see how any money was to accrue to yourself by answering the letter?—A. In the first place, I did not know a man to whom he ever paid a dollar here in Washington, and I did not propose to sit down and write the Postmaster-General, outlining the talk that I had had with him; I knew one thing, that they were making a big pile of money.

Q. Whom did you next tell about it after Bronson?—A. I guess I told Sanderson.

Q. Why, Sanderson knew all about it. You and he had had conversation?—A. Yes, but I mean in regard to this letter that I received from the Postmaster-General.

Q. But whom did you next give information to as to this conversation of which you speak, between you and Sanderson and you and Griffin, after you gave the information to Bronson?—A. I think the first interview I had was with the reporters of the Chicago Times.

Q. When was that?—A. About the 20th of last November.

Q. How did you happen to have the interview with them?—A. They were asking about these whisky frauds. They learned that I started that hurra in Saint Louis, and among other things this was called up, and they published the letter.

Q. Published which letter?—A. The letter of the Postmaster-General to me.

Q. Had there been any interruption of the friendly feelings between you and Sanderson up to that time?—A. Not that I knew of.

Q. In view of the fact that you desired to protect Sanderson, how did you happen to mention that matter to the reporters?—A. I did not consider that it was ever coming to an issue. I never dreamed of their investigating this matter. It was casually dropped in connection with the whisky business.

Q. To whom did you speak of this matter?—A. I don't know. After the letter was published, I think a good many people asked me about it.

Q. You spoke of it freely to gentlemen, did you, when you were asked about it?—A. I did.

Q. What was it that operated in your mind between the time when you, through motives of friendship to Sanderson, failed to answer the letter of the Postmaster-General, Jewell, and the time that you spoke to the Chicago Times reporter about it, and spoke of it generally after that? What was it that operated to make you disclose that fact, in view of your friendship for Sanderson?—A. I took it more that I would not serve the Government, on account of the cold shoulder which they had given me on my claim here.

Q. Then it was not from motives of friendship for Sanderson that you withheld it?—A. That was the motive up to that time, and then, when this question came up in regard to my claim against the Government for the services, and they claimed that their agents worked it up outside of me, or that it was worked up after I had got it going, I then said, "They can't make use of me in developing any rascality in any way, shape, or manner; they may steal the Government and carry it off, for all that I care, if that is the estimate they put on a man's services."

Q. And for that reason you then turned round, although you had withheld the information from the Postmaster-General before, and told all about these frauds of Sanderson and Griffin?—A. No, sir: I didn't tell all about it.

Q. You spoke of it generally, so that it became public?—A. No, sir: I did not speak of it in public. This announcement was made there. As I said, the Postmaster-General's letter was published; questions were asked me, and I would evade answering them.

Q. You speak of a shoe-box full of way-bills that you learned was in Griffin's cellar in Kansas City. Do you know what has become of that box?—A. I do not.

Q. Those were way-bills that should have been stamped under the revenue law, and which Griffin had not stamped?—A. I don't know whether they were obliged to do that. He had to make up a report of the amounts of express receipts, and upon that statement they had to pay a tax.

Q. And he told you that he had made that up falsely or short?—A. He had made up his statement, and it did not check with the receipts.

Q. That is, he had made a short return?—A. That was the point.

Q. And, if the Government could get hold of these papers, hell would be to pay?—A. Yes, sir; they would go for him.

Q. Was that the business of Barlow, Sanderson & Company?—A. Yes, sir, the express business of their line. John made the remark, "They will go for me if they get hold of those way-bills."

Q. When did Sanderson say that they destroyed books and papers?—A. Last May.

By Mr. McMAHON:

Q. That is, last May was the time he told you?—A. Yes, sir.

By Mr. CANNON:

Q. But at what time did he say they destroyed them?—A. He did not state what time that was done; he said, when I showed him the letter, "They cannot do anything; we have got together, and everything that would show anything we have destroyed."

Q. Who did he mean by "we"?—A. He was speaking of the firm; that is what I infer; he said, "We have got together, and we have destroyed everything."

Q. Did he mention Barlow and these other men's names?—A. No, sir; he said, "We."

Q. Mr. Sanderson knew that you were acting frequently in the capacity of a detective in 1869 and 1870 and subsequently, did he not?—A. Yes, sir; I used to talk with him about it, and he advised me in one matter.

Q. Mr. Griffin had the same knowledge, had he not?—A. Yes, sir. Mr. Griffin knew, at one time there, when I was after a lot of ticket-thieves on our roads.

Q. Were you ever partners in any of these ventures in matters that you were unearthing?—A. No, sir.

Mr. McMAHON. I understood the witness to say some time ago that he never was a detective for the Government, excepting in this whisky matter.

The WITNESS. I was never a detective for anybody except in the discharge of my duty. If I saw that they were stealing from the corporation they were serving, I considered it my duty to put a stop to it.

By Mr. CANNON:

Q. I understood you that you never received any money from Barlow, Sanderson & Co. for anything which you did for them, and that you never asked for any?—A. I never did. He never offered me individually anything in any shape or manner. He wanted me once to be his paymaster, and I told him I would not go out in that country if he would give me the whole route.

Q. No money was ever asked for?—A. No, sir.

The examination of this witness was suspended until Monday morning. The committee then adjourned to 2.30 to-day.

WASHINGTON, March 17, 1876.

JOHN R. GRIFFIN sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Kansas City, Mo.

Q. How long have you resided there?—A. For the last seventeen years.

Q. All the time in the same business?—A. No, sir; I went there for the United States Express Company, as agent. I went from Utica, N. Y. I was with them about ten years.

Q. How long have you been with Barlow & Sanderson?—A. About nine years.

Q. All the time at Kansas City?—A. No; part of the time at Saint Louis, and for the last year I was employed with them at Pueblo, Colo. I am not in their employ now.

Q. How long since you have been out of their employ?—A. Since the 23d of February a year ago.

Q. Was that a voluntary dissolution between you, and the relations existing between you?—A. Yes, sir; it was. It was on account of ill health that I had to resign. I was sick for a year or two, and had to resign to get out.

Q. Who composed the firm at different periods while you were acting for them? Give us the first constitution of the firm, and a little history of it, as far as you know.—A. The first that I knew anything of them it was Mr. Barlow and M. Cottrell & Co. The "Co.," I think, was H. M. Bail. After I came in with them it was Bradley Barlow, J. L. Sanderson, and T. J. Barnum. Mr. Sanderson at that time resided at Kansas City, but at present he resides in Saint Louis. I don't know where Barlow resides; he has two places, one here in Washington and one in Saint Albans, Vt. Three or four years ago Mr. Barnum dropped out, and then it was Barlow & Sanderson.

Q. What section of country did that firm operate in?—A. Through Colorado and New Mexico.

Q. It had no connection then with the business west of the Rocky Mountains?—A. No; not that firm. This firm simply operated in those two States, so far as I know.

Q. Were none of the stage-routes in Kansas?—A. They had for a good many years a route down to Fort Scott, and from Pleasant Hill to Fort Scott. That was a number of years ago.

Q. Where was the principal business place of this firm?—A. At Kansas City most of the time. It was not there all the time. I had an office in Saint Louis awhile, and after it left Kansas City, it went up to Pueblo, where it is to-day. It was only at Saint Louis a short time—most of the time at Kansas City.

Q. Had Sanderson any connection with Barlow other than their connection with this firm of Barlow & Sanderson?—A. I think he has some route over in California. I don't know the route; I never was there; it is a route running from Sacramento to Portland, Oregon.

Q. The books that you had charge of had nothing to do with that western route?—A. Not a thing.

Q. And it was not this firm but another firm of which they were members?—A. Another firm which they were interested in.

Q. Who kept the books of the firm of Sanderson, and M. Cottrell & Company?—A. D. W. Wells.

Q. What was your connection with them?—A. No more than receiving the fares and starting the stages.

Q. Making out the way-bills and things of that sort?—A. Yes, sir.

Q. A sort of superintendent?—A. No, sir; you might say an office agent; nothing but to receive fare and put it on the way-bills.

Q. Was Mr. Wells their book-keeper all the time?—A. He was as long as M. Cottrell & Co. were there.

Q. After that who was their book-keeper?—A. I was, for about nine years.

Q. Where were your headquarters while you were book-keeper?—A. At Kansas City most of the time.

Q. What other officers and agents had they, if any, besides yourself at Kansas City?—A. None. They had other agents, however.

Q. Who was their financial man who handled their funds?—A. I did; that is, I handled what I got hold of, but that was not much.

Q. In what way would be paid to you the mail-money?—A. The mail-money was never paid to me. It was done like this: The agent, and sometimes myself, would receive the money for passengers traveling over the line; authorizes a paymaster up there and he gives receipts for all the money from that agent to the other, passenger rates, and express also, and there is no money comes into my hands as a book-keeper at all, only I get a receipt from this agent that he is paid the paymaster so much, and I charge it to the paymaster, and give this agent credit for it, and he pays out all that he receives. The paymaster is the man that pays out every dollar and receives every dollar.

Q. Does he go over the line to pay it?—A. He does.

Q. How often in the course of a month?—A. Only once in every three months—every quarter—and if there is not money enough we call on Barlow. He draws all the mail payments.

Q. How did you get it from him; by draft on him, or by sending word to him and he sending you a draft?—A. I write him that the paymaster wants so much money to pay these bills, any deficiency, and he sends that by draft on the National Park Bank, of New York—sight-drafts on the National Park Bank.

Q. Would these drafts that he would send out there pass through your hands first?—A. Yes, sir; they would come to me, and I would acknowledge receipt of them and turn them over to the paymaster. They would be payable to the order of Barlow & Sanderson, and I had authority to indorse their name, and so had the paymaster. It was so understood at the bank down there, that I was to indorse in case we wanted the money. I did not draw the money at all; I would turn it over, and the paymaster would draw it at Denver or Kansas City.

Q. Do you know what banks you used?—A. We would use no bank at all.

Q. You did not keep your money on deposit?—A. I had no money there to keep, except a few hundred dollars.

Q. I mean the paymaster.—A. We did no banking business at all at any point.

Q. Mr. Barlow is interested in a bank at Saint Albans. Did any transaction with that bank come to you in any shape?—A. Not that I know of. Those drafts came from the Vermont National Bank; they came from that bank—drafts on the Park Bank, of New York.

Q. It would be, then, a draft issued by the Saint Albans Bank on the National Park Bank, of New York?—A. Yes, sir.

Q. Had he any interest in that New York bank?—A. I don't know that he had.

Q. Were these drafts uniformly on the same bank, the National Park Bank?—A. All of them that I ever saw.

Q. Whenever the amount would come in a draft to you from him, you, of course, would charge it up in the books?—A. I gave him credit for it and charged the party I gave it to.

Q. You would give Mr. Barlow credit for it?—A. Yes, sir.

Q. And the paymaster would have his account?—A. Yes, sir.

Q. When he returned his vouchers you would give him credit?—A. Yes, sir.

Q. Did he return you a regular pay-roll, or would he return you the vouchers?—A. The vouchers, with a statement of the vouchers.

Q. How would they be made up; in single vouchers on pay-rolls?—A. In single vouchers, because they had to pay so many bills of \$5 and \$10 and other small sums. He would return single vouchers for everything that he paid out.

Q. How many times in the course of a year would he settle up his accounts?—A. Only once in three months, to see what the company owed him or he owed the company.

Q. You only called on Barlow for money when the company was not self-sustaining?—A. Exactly. I don't know what pay he got, but he received every dollar of it, and when we were short I was authorized to call on him for so much money for the paymaster, which I did. I cannot tell the amount. It may have been sometimes \$5,000 and sometimes \$20,000.

Q. During the time that you were book-keeper what different routes was this firm engaged in operating?—A. I can't give you exactly the routes. Kansas City to Santa Fé. Then they moved us along up.

Q. That was before the Kansas Pacific Railroad was finished?—A. That was just about the time. We had to move from that to Junction City, to Fort Harper, and clear up to Sheridan, and we kept cutting across the Arkansas River all the time. Our routes were south. And they also ran a line from Kansas City to Fort Scott, also from Pleasant Hill to Fort Scott.

Q. Do you know the length of those two routes?—A. From Kansas City to Fort Scott, about one hundred and ten miles, and the other is about the same.

Q. Where is Pleasant Hill from Kansas City?—A. Thirty-five miles this side, toward Saint Louis.

Q. There was one route from Pleasant Hill and one from Kansas City to Fort Scott, running at the same time?—A. Yes, sir.

Q. What was the object of having those two long routes running at the same time?—A. I don't know. They both started and ran from those points. I don't know the object.

Q. The North Missouri road runs to Kansas City?—A. Yes, sir; on the other side of the river.

Q. But Pleasant Hill is on the North Missouri road?—A. No, sir; on the Missouri and Pacific—on the south side.

Q. Were those two routes necessary?—A. I could not tell you whether they were or not.

Q. You have an opinion upon the subject?—A. I don't know that I have. They are about thirty-five miles apart. They start from one point, and one goes one way and one goes the other.

Q. They are not both running now?—A. I don't know. They have not had the contract since before I left them.

By Mr. CANNON:

Q. One road runs through Missouri and the other through Kansas?—A. Yes, sir.

By Mr. McMAHON:

Q. In what direction is Fort Scott from Kansas City?—A. South.

Q. The line from Kansas City to Fort Scott would not be very far from a line from Pleasant Hill to Fort Scott?—A. Yes, sir; there are two lines.

The CHAIRMAN. The routes are just the width of a county apart?

The WITNESS. That is all; one in Missouri and the other in Kansas.

By Mr. McMAHON:

Q. If your routes out there earned a surplus, what became of the money; who had charge of it?—A. I did not have.

Q. Who had?—A. I don't know, unless it was Barlow and Sanderson.

Q. Who first handled that surplus?—A. There would not be any surplus, unless it was here at Washington. What they got out of their mail-pay Barlow handled himself. I might at times have had five, ten, or twenty thousand dollars, but that was to be handled there. There was no surplus left in my hands, no bank-account to keep.

Q. But in a good quarter the money that was earned out there from express and passenger fare, &c., would exceed the running expenses, and there might be ten or fifteen thousand dollars on hand; now, to whom would that first be paid?—A. Mr. Barlow.

Q. Who would pay it to him?—A. There was nothing ever came back from there, because the receipts never paid expenses.

Q. I asked you, if there ever was a surplus, what became of it?—A. Well, there never was a surplus or enough of the receipts of passenger and express fares to pay the bills. We always had to call on him for money to pay up the balance.

Q. Have you ever had any conversation with Mr. Sanderson or Barlow in regard to that service?—A. I have not. I saw Barlow this morning. I saw Sanderson in Saint Louis on Tuesday when I passed through.

Q. Did you never have any conversation with them in which they said to you not to draw too heavily on them, to be more economical?—A. No, sir.

Q. Did you never hear any conversation between them and the paymaster?—A. I never did.

Q. Did you have any conversation or hear any with them or between them in regard to demands on them at Washington City?—A. No, sir; I never did.

Q. Did you have any knowledge of the difficulties they had in getting their contracts here?—A. I did not.

Q. Had you any knowledge of the method they adopted to get the contracts?—A. No, sir.

Q. Do you know of their having used at times persons, who really had no means, as bidders in their interest?—A. I don't know that I do.

Q. I do not care to know simply what you saw with your eyes; I want to know the conversations you have had with them, or with persons in their interest.—A. I had no conversation with them at all in that direction, and I never put in a bid in my life, and never signed any paper for them, and never have been asked to do it.

Q. Who did sign papers for them?—A. I don't know.

Q. You never knew anybody that did?—A. No, sir; I don't know anybody that ever did.

Q. Do you know from the operations of their office that persons who were not responsible put in bids for them?—A. No; I have heard a great deal about straw-bids, but who put them in I don't know.

Q. The headquarters of the company were in your office at Kansas City?—A. Yes, sir; but it was not there when the bids came in.

Q. Would there not be parties living in that neighborhood that would put in bids for Barlow & Sanderson?—A. There is no one there that I can tell you about that bid for Barlow & Sanderson.

Q. Who, in common conversation around through the neighborhood, with Barlow or anybody else, were spoken of as Barlow's or Sanderson's men?—A. I never heard them say a word about them.

Q. Did you never hear anybody intimate that anybody was a straw-man; making straw-bids for them, and then stepping out?—A. No, sir; I never did; not from them or any one else. I have seen plenty of that through the papers.

Q. Where did you see it in the papers?—A. In the New York Sun. I have seen all that stuff.

Q. You have seen it in Kansas City?—A. Yes, sir; and in Denver.

Q. Would it not be talked about?—A. Not to me. Barlow or Sanderson never told me or asked me anything about those bids, and I could not tell you who put them in.

Q. You are satisfied from your own knowledge; but did you hear nobody mentioned?—A. I never did.

Q. Do you say, then, that the first intimation you have had that there were straw-men used was through the New York Sun?—A. O, I say I have seen it there, not against them particularly, but against all.

Q. Was that the first intimation you ever had of it?—A. No; because I might have seen it in other papers, but that is all the knowledge I have of it.

Q. What other papers might you have seen it in?—A. Well, I cannot tell. I take the Saint Louis Democrat, and I saw all these notices.

Q. About when was it that the Democrat noticed it?—A. I cannot tell; it might be a year ago, or it might be two.

Q. Which paper was it that you first saw this notice in?—A. I don't know.

Q. Were you in the employ of the company at the time you saw those articles?—A. I was not.

Q. It is since you left that you have seen them?—A. Yes, sir.

Q. When did you leave?—A. The 21st of February a year ago.

Q. That would be February, 1875. Now, do not you know that it was published in October, 1874, in the New York Sun?—A. I don't know; it may have been; I could not tell you that.

Q. Have you any recollection of hearing that they had straw-bidders and straw-bids?—A. No, sir; I have not.

Q. At any time?—A. No, sir; at no time.

Q. Never heard it discussed?—A. No, sir.

Q. Or talked of?—A. No, sir.

Q. Did you ever have any opinion of your own upon that question?—A. No; I had no opinion about it; it was a matter that I knew nothing about, had nothing at all to do with it, and I cared nothing about it.

Q. Who managed the business of that kind for them?—A. I presume it was managed right here by Barlow & Sanderson.

Q. If they had men out there—A. I don't know who they were.

Q. Did Barlow come out there frequently?—A. No, sir; I don't think he has been out there in six years; I have not seen him in two or three myself.

Q. Mr. Sanderson could manage everything out there that was to be managed?—A. Yes, sir; he sent men.

Q. Are you acquainted with Stillman Danforth?—A. I am.

Q. How well?—A. Very well. I was in the office with him at Kansas City.

Q. What business was he in?—A. He was ticket agent for the Kansas Pacific Railroad, and also selling land for them—a kind of a land agent. We had an office together, with a door between us.

Q. What other positions did he occupy for the company?—A. That is all I know of.

Q. Did you have many conversations with him at different times?—A. On business?

Q. About business?—A. No, sir. I had a good many conversations with him, and a good deal of nonsense; but when you come right down to business, not much.

Q. Did you never make any remarks to him about the amount of money that Barlow had spent here in Washington?—A. I never did.

Q. You had charge of the books containing Barlow & Sanderson's accounts?—A. Yes, sir.

Q. Would your books show the amount of mail-money earned?—A. They would show the amount that Barlow reports he had received here at Washington.

Q. Barlow & Sanderson had the entire interest in all the mail-money that was earned by those routes?—A. Yes, sir; that is, all those routes that I was taking care of.

Q. Of course your books would show the net amount that Barlow would receive from the Post-Office Department that was to be divided between the firm?—A. Yes, sir.

Q. Did you have a paper with the amounts with which you charged Barlow? You charged him usually with all that was received, I suppose?—A. Well, he reported to me that he received so much on such a route, and I would charge him with what he received, and of course I would give him credit for the amount that he would send through me, or if he would pay Sanderson a thousand dollars or \$5,000 I would give Barlow credit for it and charge it to Sanderson.

Q. So your books would show the entire fair business relations between the parties and the balance coming to each one?—A. Yes, sir.

Q. But you would only charge Barlow with the amount he reported to you?—A. That is all.

Q. You would not charge him with the amount that you understood he ought to have received under the contract?—A. I had no understanding only in one way, and that was through him.

Q. You had nothing to do with the contract only as he reported that he had received so much?—A. No, sir; he would report, "I have received so much on route so and so."

Q. Did he report to you each quarter?—A. Yes, sir; every quarter.

Q. Did you preserve and file those letters?—A. No; I have got his reports, though.

Q. How would those reports come to you? Just give us some idea of the form. Give us a sketch of one of them.—A. "Received from Post-Office Department (that is the only way I can tell) on route so and so \$5,000 (or \$10,000 or \$20,000) for this quarter."

Q. Would there be any items of expenses connected with the reports?—A. No, sir.

Q. He made no charge for expenses in Washington?—A. No; but he sent a report that he charged \$500 for his traveling expenses each quarter, which is charged to the expense account.

Q. Give us the detailed items of his expenses?—A. That is all I know about it.

Q. Five hundred dollars for traveling expenses?—A. Well, sundry expenses; that is the same thing.

Q. Would he give any more detailed account than that?—A. That is all. Except the amount of money that he would forward.

Q. That would be always in drafts?—A. Always.

Q. No money sent by express, always in drafts?—A. No; I never received a dollar in money.

Q. You would note down the amount he would send as the amount that he had received from the Department, less his individual expenses for traveling?—A. He never sent it all to me; if he received \$20,000, and he was only called upon for \$10,000, he kept the balance, of course.

Q. Did he always report the full amount?—A. Yes, sir; and he was charged that amount.

Q. Then I understand that the report that would be sent would be only so much money as he would think he would need to meet a deficiency?—A. That is all.

Q. He would send money quarterly?—A. When he was called on for it.

Q. Would you call for it after the deficiency occurred, or would you anticipate it?—A. I would call for it when needed. Say that the paymaster would have paid out all the receipts and there was still \$5,000 needed, there was nothing but to call on Barlow. He was the moneyed man, who got all the money, and after we had used all that was obtained there, it would come back on him.

Q. How would Barlow & Sanderson settle the matter between themselves as to how much of the net profits should be divided between them?—A. There is no way to settle it, unless to take the expenses out and see what the net earnings are. There is an account kept there with Barlow & Sanderson showing all the receipts.

Q. How many times in the course of your being their book-keeper would you strike a balance and settle up between them?—A. They would get a report from the office, a report from me, to show how the private account stood. Each of them would get that every quarter.

Q. Now, suppose Barlow had received a large sum of money on the mail contracts, which it was unnecessary to send to you to pay the expenses of the road; suppose there were \$20,000 in his hands and \$10,000 of it coming to Sanderson, how would he get it?—A. It would lie in Barlow's hands, and he might send for it, or he might come for it himself.

Q. Who settled and ascertained the balance that was coming to each one of those two men?—A. They settled it themselves.

Q. Would not you have to give them a report from the books?—A. Of course they would get a report at the end of every three months, showing how their individual accounts stood.

Q. They divided, then, according to the reports on your books?—A. Certainly.

Q. Your books, then, would contain all the items of expenditure between the two parties?—A. Yes, sir.

Q. Would Sanderson draw on Barlow for the money?—A. He has done so. He has been here at Washington and got \$5,000. Barlow would tell me to charge that to San-

derson and give him credit for it. Of course Barlow was charged with all the mail-payments, and part of the money belonged to Sanderson.

Q. Did Sanderson sometimes collect the money?—A. Never from the Post-Office Department. Barlow always collected every dollar of it.

Q. Would Sanderson have authority to get money from you?—A. Yes, sir; it was Barlow's and Sanderson's money, too. I would take his receipt for what he got and charge it to his private account.

Q. What money would that be, the earnings of the company, or the mail-contract money?—A. The earnings of the company, of course. I did not have any but that.

Q. Was Sanderson in the habit of drawing money from you quarterly?—A. No; he has done it a number of times, though, just as he happened to pass through. He would want perhaps \$100 or \$500, and I would let him have it and take his receipt, and charge it to his private account, in order to show the money out of my hands. The money showed in my hands, and I had to show it out.

Q. Did you know, by reputation or otherwise, the persons to whom they had paid out money?—A. No, sir; I did not.

Q. When you paid out money for them other than expenses, upon whose order would you pay it?—A. I never have paid any unless it was for expenses.

Q. You only paid out in your department the stage expenses?—A. That is all.

Q. In those expenses you of course include repairs, horses, drivers, wagons, &c.?—A. Wagons and such things; harness and grain in the same way.

Q. Upon whose indorsement would you pay those accounts? If an account was sent to you from Concord, New Hampshire, for instance, you would not pay it without knowing something about it, without some indorsement authorizing it?—A. They generally came to Barlow here, and from Barlow to me or to Sanderson; they were the ones that bought everything.

Q. That is the reason why I should think you would not pay without an order?—A. No, I would not without an order.

Q. How would they generally come?—A. I cannot tell; they may have come to Barlow here and he may have paid most of them himself, but I think I paid some, too.

Q. How did you get that impression?—A. Because I know he has paid some.

Q. How would you know that?—A. By seeing the vouchers that he would send in from Avitt, Downing & Co.

Q. How frequently did that happen?—A. I don't know; you might say once in two years; they did not get wagons oftener than that.

Q. They might buy something else, though?—A. Yes; harness, at the same place, of J. R. Hall & Co.

Q. What parties in the East did you have dealings with besides those two?—A. That is all I know of.

Q. All that you would need would be wagons and harness?—A. That would be all we would need from the East; the other things we would buy there.

Q. What other persons did you deal with?—A. O, we would deal with ten thousand people.

Q. I do not mean persons along the line of the road, but in Saint Louis, for instance?—A. Waterman Brothers, hardware dealers.

Q. In Kansas City how would it be?—A. We would buy soap, sponge, and such things of J. & W. Wood & Co.

Q. Would your bills out there be large except for grain and paying the men?—A. Paying the men is a thing I had nothing to do with; that was done by the paymaster. All I had to attend to in paying bills was for various little things that they could not get on the line, and that had to be shipped.

Q. Barlow, when he would send you a report quarterly, would occasionally report that he had paid so much for traveling expenses?—A. It was always \$500 for traveling expenses.

Q. What did you understand by that item of \$500 for traveling expenses?—A. I suppose he paid it out for traveling and railroad fare in moving around the country. It was not my place to know particularly.

Q. Did you ever compare the amounts that he would report he had received from the Post-Office Department with the amount that was due upon the contract?—A. I don't know what was due under the contract, and never knew; all I knew was from the reports.

Q. He did not do much traveling, did he?—A. I don't know; he never was out west much.

Q. You say he has never been out there in connection with the firm but once in six years?—A. No, sir.

Q. So this \$500 could not be expenses in traveling for the firm?—A. That is the way that he sent it in. What he spent it for, or where he traveled, I don't know.

Q. Did you have a separate account for each route?—A. No, sir; it was all one thing.

Q. This \$500, then, embraced the whole traveling expenses?—A. Yes, sir; so far as the firm was concerned,

Q. There were other items of expenditure?—A. I never saw them.

Q. The wagons, for instance.—A. O, yes; but they were not in his reports. They would come there with the vouchers, or a bill from the manufacturer.

Q. Then of course there would be an entry in his account?—A. No; the entry was not in his account. He would say I want so and so; I have paid so much for wagons, and that would come with his report as a voucher.

Q. Would he not enter upon his report his expenditures at all?—A. He did as far as I have told you, \$500.

Q. Suppose he paid out money for a wagon, or for ten wagons, how would it be?—A. He would always send a bill with it; what we called the voucher.

Q. Would he not put it in any account of his?—A. Not that I know of.

Q. But you would enter it up?—A. I would charge it to the expense-account and take a receipt to show that the bill had been paid.

Q. What expenditures did he have in Washington?—A. I cannot tell you, for I don't know.

Q. What conversation did you have with Sanderson about their expenses at Washington?—A. I never heard him say a word.

Q. Did he never write to you on the subject?—A. No, sir.

Q. Did he never call on you in any way or shape for money?—A. He never did. If he got any money, he got it from here.

Q. Did he never see any letters of Barlow about that?—A. I have seen lots of letters, but not in regard to that.

Q. You know very well what I am referring to.—A. Yes, sir; I understand.

Q. You seem to understand, but you do not allude to it.—A. Yes.

Q. The particular matter that I want to know about is this: it has been charged and stated that Barlow and Sanderson were at pretty large expense in Washington for the purpose of keeping the "inside track" on their contracts; you have heard that, and we may as well be plain about the matter at once.—A. Yes; I have heard it all, but so far as my knowledge goes—

Q. I do not want you to hedge yourself behind what you have seen or what you absolutely know; I want to find out whether you have ever heard anybody say anything on this point, particularly Barlow.—A. I have not.

Q. Or Sanderson?—A. I never have.

Q. Have you ever seen any letters from Barlow to that effect?—A. I never have.

Q. Nor anything from Sanderson?—A. I don't think I ever have.

Q. Nothing about their expenditures?—A. I don't know anything about their expenditures—what they have done with their money.

Q. Do you know that they ever spent anything at Washington City?—A. No; nor I don't know that they haint.

Q. Would your books show that they have not spent anything in Washington?—A. I think they will.

Q. Who has charge of those books?—A. My brother has, and has had for the last year, at Pueblo, Colorado.

Q. The same set of books that you kept?—A. The same set.

Q. Your books would extend back a period of several years?—A. They change their books every four years—every contract.

Q. Have all the books been moved to Pueblo?—A. I think they are all there.

Q. You are now living in Kansas City; what are you engaged in now?—A. I am not engaged in anything. I was compelled to resign on account of being sick, and since that I have not been doing much of anything; I have been traveling through Colorado for health, you might say. I saw fit to resign for that one reason.

Q. Have you seen Barlow since you have been here?—A. I saw him this morning at the Arlington.

Q. How long have you been here?—A. I came here yesterday afternoon.

Q. Did you see him yesterday?—A. No; I saw him this morning.

Q. Did you have any conversation with him about these matters?—A. No; I told him I was called here; I told him that I was down and met General Clark yesterday, and that he told me to come back to-day. I have had no conversation with regard to this, only that I told him I was subpoenaed to come here.

Q. He knew what you were subpoenaed for, did not he?—A. I told him; I presume he did. I didn't know myself what I was subpoenaed here for. I didn't see him for but five minutes any way. Mr. Danforth went up to his house and came down with him; he is the one that I met him with.

Q. Has he a house in Washington?—A. Yes, sir.

Q. Where does he reside most of the time?—A. Between this place and Saint Albans; he has a residence here, No. 1736 I street. I have not been to it, but that is the number.

Q. Are you confident that he never sent drafts on any other bank than the National Park Bank of New York City?—A. I am.

Q. The business was all done through that bank?—A. It was from the bank at Saint

Albans. The drafts were drawn by that bank on the National Park Bank of New York.

Q. Do you know where Barlow deposited his money?—A. I do not. I don't know whether he has any bank-account; if he has, he must have it there, but I don't know.

Q. How many years have you been acquainted with Mr. Danforth?—A. I think it is about five or six years. The first I knew of him was when he came there for the Kansas Pacific Railway. I think it was in 1870 or 1871.

Q. You became very well acquainted with him?—A. No more than being in the office with him a couple of years.

Q. You got pretty well acquainted in that time?—A. Yes, sir; I think we did. I know him.

Q. He and Sanderson were pretty well acquainted?—A. Yes, sir. I know he was there with Sanderson a good deal of the time.

Q. Were they not very intimate?—A. I don't know. Mr. Sanderson staid there in the office; they had a room back, and they slept there. I did not.

Q. Did they sleep in the same room together?—A. They did. They were there together nights, but I was not there at night.

Q. Mr. Danforth and he were very intimate friends, were they not?—A. I think they were. I know there was but one bed, and they both slept there.

Q. You are confident you never had any conversation with Mr. Danforth about these matters I have asked about?—A. I never had.

A. You never spoke to him about the expense that the firm was at in Washington?—A. I never did.

Q. Never said that it cost them a good deal to "grease" parties here?—A. I didn't tell him any such thing as that, nor I don't know what they did pay, nor whether they ever paid anything.

Q. You have no suspicion on that subject?—A. I might have had a suspicion, but then I don't know.

Q. What was your suspicion?—A. I presumed they might have paid money here.

Q. You presumed that?—A. Yes, sir; in fact I may say that I thought so, but I didn't know it.

Q. What made you think so?—A. I cannot tell why.

Q. O yes, you can if you try.—A. I cannot think of any knowledge that they ever gave me, or any papers that I saw; it was only by outside talk.

Q. I want the ground of your suspicions, no matter how remote they may be.—A. Well, I had no suspicion, nor I have not yet; still they may have done it.

Q. Did not you say just now that you rather thought they had?—A. No; I didn't know it.

Q. I am not asking about your knowledge now, I am asking the reason for your suspicion.—A. I don't know that they have paid one dime, and I don't know but they did; I cannot say one way or the other.

Q. But I understood you to say a while ago that you might suspect, and in fact that you did suspect, that they had paid money here in Washington.—A. I don't wish to be understood in that way, because I cannot suspect anything that I don't know.

Q. I thought that was the place to suspect, where you have no positive knowledge. When you know a thing, you don't suspect it.—A. Anything that I know I can tell you; anything I don't know I cannot.

Q. Then the only things you suspect are the things you know?—A. That is all; I don't know of my own knowledge.

Q. Now, give this committee the things that you have seen or heard that have made you suspect anything; that is, made you suspect that they have paid money here in Washington.—A. I cannot answer that, for I don't know that anybody ever told me, unless it is Mr. Danforth, and he has told me since I came here; and he has never heard me say that I ever heard anybody say it except him, and he doesn't say that I ever told him that; he cannot swear to it.

Q. I think he did swear to that.—A. Well, if he did, I will say that I did not.

Q. He said this, as I remember it, that at one time he received an express-package of money that was for you, and that he handed it over to you.—A. He told me that; but I don't remember it. He may have done it. He may have received an express-package there, and it may have been drafts; but I don't remember his having received it.

Q. You remember no conversation when he handed that money over to you, \$28,000, or something like that?—A. No, I do not. I don't remember that he ever received a package for me; but he told me that to-day himself, and I won't say that he did not.

Q. Did not he tell you also that just at the time that he handed that money to you, you made some remark to the effect that it cost so much to "grease" these parties in Washington?—A. Not that I remember; nor I never told him that anywhere; nor am I positive that he ever received a package of money for me, but he might have received it.

Q. This way of paying out money in Washington and this \$500 item of Barlow's for

traveling expenses, did not that ever excite your suspicion?—A. It did not excite my suspicion. I thought he was paying it for traveling expenses, and charged it to Barlow and Sanderson, each to stand half of it, of course. It was charged to the expense-account.

Q. You were the book-keeper, and had to enter it up, and had to be satisfied it was all right. When giving him credit for that, what credit did you give him? What did he do for the firm for that?—A. I could not tell that.

Q. Did Sanderson make any explanation of it to you?—A. He never did.

Q. You simply entered up in that way \$500 a quarter—\$2,000 a year?—A. Yes, sir; to Mr. Barlow, for traveling expenses.

Q. Did Sanderson have any amount of that kind credited up to him?—A. The same amount.

Q. So they got \$2,000 apiece for "traveling expenses"?—A. Yes, sir. They might as well have left it out, for neither one gained anything; but that is the way they did it.

Q. Each has had a private fund of \$500 a quarter?—A. Yes, sir.

Q. That made \$4,000 a year for traveling expenses?—A. Yes, sir.

Q. It did not make any difference how much Sanderson traveled more than Barlow, he only got credit for the same sum?—A. Yes, sir; that was all.

Q. And it made no difference that Barlow did not travel at all; he got credit for \$500 just the same?—A. Yes, sir.

Q. Was it always just \$500?—A. Yes, sir.

Q. For how many years?—A. Five or six years, anyway; I would not be positive.

Q. Were there any other peculiar entries upon the books besides those \$500 items for traveling expenses; something that "they might as well left out"?—A. No, sir.

Q. Think of anything else of that kind, if you can.—A. I can't think of anything else.

Q. No contingent-expense-fund for little outside matters; no profit-and-loss account in any shape?—A. Nothing that I know of. That was kept in the stock-account. When they get through they can sell out, and get what they can for what they have left.

Q. Give us the names of the books you kept, and state how many times you changed them?—A. They were changed every four years. There was a cash-book, an abstract-book, a passenger-receipts, a ledger, and a blotter. The cash-book is simply a copy of the blotter, which is kept in lead-pencil every day, and copied at night or next day.

Q. It is copied into the cash-book and posted in the ledger?—A. Yes, sir.

Q. Your blotter, you say, is generally in lead-pencil?—A. Yes, sir; it is simply a memorandum.

Q. It is your daily memorandum of every transaction, cash and everything else?—A. Yes, sir; during that day.

Q. You do not enter anything into your cash-book except at the close of the day?—A. No, sir.

Q. In copying from the blotters would you copy all the items?—A. Everything.

Q. It would be a transcript of the items then; not everything in a lump?—A. All the items.

Q. Did you have many accounts of individuals?—A. The ledger-accounts were with Barlow & Sanderson, J. L. Sanderson and Bradley Barlow, and with the paymaster, and with a few agents over there, a dozen or perhaps twenty.

Q. What would you put to the credit of Barlow & Sanderson in your ledger-account?—A. I would give them credit for everything that was received from the agents; all the passenger-receipts and express-receipts.

Q. How would you manage with the mail money; where would that come in?—A. I would charge it to Barlow, and give Barlow & Sanderson credit for it. It was their money, and Barlow was the man that got it; and it would be charged to his private account until he showed it out of his hands, and I would give them credit for that—for everything that was received.

Q. Your account credited them with the full amount that he reported that he had collected?—A. Yes, sir; I would charge Barlow with the full amount; and then I would credit him with what he might send.

Q. Then their account would show the amounts of mail-money received, the balances that he would report?—A. Yes; and the total amount of receipts from every one.

Q. Do you remember any occasion on which his traveling account exceeded \$500?—A. I don't know that he paid \$100.

Q. I mean when his report was that it exceeded \$500.—A. No; I do not; I think that was the amount; no more, no less.

Q. If it was understood between those two men that each was to be allowed \$500 for his traveling expenses, why was it always put in his report at the end of each quarter?—A. Sanderson didn't have his put in there until the last year. I showed him Barlow's report with that \$500 in it, and Sanderson said, "If he wants \$500, I do; I am paying out more money than he is in traveling." So Sanderson had it for the past year, but not before, I think.

Q. Do you mean to say that Sanderson never found out that Barlow was charging

\$500 a quarter for traveling expenses until last year?—A. I told him all the while that he was.

Q. When Sanderson was traveling for the firm, did he never send in his vouchers?—A. He would come and get money of me, or he would pay the bills for horses and things that were purchased.

Q. I am speaking of his personal expenses.—A. No, sir; not for that; but he might have got the money in this way: he might go to St. Louis, for instance, and buy horses, and come to me and get money to pay the bills, and if I had money belonging to Barlow and Sanderson, I would, of course, give it to him and take the voucher.

Q. The way he would get it, then, would be that he would charge more for the horses than he paid?—A. He might; I don't know anything about that.

Q. When you left the office a year ago were all those reports of Barlow's on file.—A. Yes, sir.

Q. Were the books on file?—A. Yes, sir.

Q. For how long?—A. For the last six years.

Q. Have any of those books or papers been destroyed or lost?—A. The books of Wells have been destroyed or thrown away, but the books of the last six years are at Pueblo, I think.

Q. Have you been out to Colorado recently?—A. I was out there about a year ago.

Q. Did you see your brother there?—A. I did.

Q. Did you see the books there then?—A. I did not.

Q. Did you look for them?—A. I did; I never looked at a book.

Q. Mr. Danforth said in his testimony that you or Sanderson told him that they paid \$500 every quarter to some particular man in Washington.—A. He never heard it from me.

Q. I don't know that he said he heard it from you, but he did testify that he heard you say that it cost them a good deal here.—A. Well, sir, he testified to what is false. He couldn't come and tell it before me.

Q. Did not you say that he did tell it to you here?—A. He told me something, but he did not tell me that. He said that he signed some papers years ago, I don't know whether they were mail papers or bids, and, said he, "I don't know but what you witnessed my signature." Well, said I, if this committee have got the papers I won't say that I did not, but I have no recollection of doing it. That is the only thing that he said I got him to do, and I don't think I ever asked him to do that; but if I ever did, it will show.

Q. Do you know the fact that he did at one time put in some bids?—A. I think he did; I am satisfied that he did.

Q. On what route?—A. I don't remember; either on the Fort Scott or Pleasant Hill route, or it may be on the Santa Fé route.

Q. He had no stock to run that road?—A. He had no stock.

Q. It was understood that he was not to perform the service; that he was to fail on it.—A. I don't know. That is between him and Sanderson. I never asked him to put in a bid.

Q. But if he put in that bid, you knew very well that he couldn't perform the service; that he had no means.—A. He had no means.

Q. He might be called a straw-bidder?—A. Yes, sir; I think that is what I would call it if he got a route; I don't know whether he did or not, nor I don't know that he put in the bid, nor I don't know whether it was a bond or a bid.

Q. Have you just remembered that matter since you have been under examination?—A. O no; I remembered that away back.

Q. Then what made you tell me that you never heard of any case of that kind?—A. Well, I don't know that this was.

Q. Did not you say just now that it was a straw-bid if he put in one?—A. No; I said if he did, he hadn't the means to carry it out; that I didn't think he had the means to carry it out, and I should look at it as a straw-bid.

Q. What other persons do you remember having heard put in bids for them?—A. Nobody that I know of; but I am positive that he put in bids there.

Q. More than one do you think?—A. One or more; I could not say.

Q. On what routes?—A. I don't know; I think it was on some route of Barlow and Sanderson.

Q. You know how that thing was operated; that they would get a person to put in a bid and the man would not appear and then there would be temporary service with them; you understand it?—A. I have heard of it.

Q. That is what I refer to; that he put in a bid, or several bids, for them and then failed to perform the service and they came in and got the routes under some arrangement.—A. I presume that is what it was. I am satisfied that he put in a bid.

Q. Had you forgotten that until you spoke with him this morning?—A. I saw him yesterday afternoon.

Q. Had you forgotten it until you spoke with him yesterday?—A. I have never thought of it since, and I can't remember it.

Q. But you remember the fact that he at one time did put in some bid?—A. I do.

Q. But as to whether you witnessed the papers or not you do not remember? My question was had you forgotten that he put in those bids until he called it to your mind yesterday?—A. I had.

Q. After he called it to your mind you remembered it?—A. I did.

Q. But you had forgotten it again when I asked you about it awhile ago?—A. No.

Q. Well why did not you tell me about it?—A. I couldn't tell you, and I cannot tell you now. I won't say now whether it was a bid or a bond.

Q. How was it when I asked you the question so explicitly awhile ago whether he ever put in a bid of that kind, you answered as you did?—A. I cannot swear positively that he put in any bids at all only as Mr. Danforth tells me; he says that he did.

Q. But you said a few minutes ago that you are pretty positive he did.—A. I think he did. That is my best recollection, although I am not positive about it. I can say this, as I said before, that I never had anything at all to do with it in any shape or manner. He might have put in bids and I might have heard the conversation, but to bring it down to my recollection, I cannot say that I ever saw any of that; but he tells me that he did.

Q. When he tells you that he did, that influences you to believe that he did?—A. No, I don't believe everything that he says either. He could tell you many things.

Q. Why is it that you believe this particular thing?—A. I don't say that I believe it; I say it may be.

Q. If you do not believe it, why do you swear that he did put in a bid if you have no recollection of it except what he tells you?—A. I have none except what he tells me.

Q. Why do you say that you think he did?—A. I think so because he says so; that is all. At the same time I don't know that I ever saw the paper. I don't think I ever saw it, bid or bond.

Q. Well, would it not be a matter of common talk between you when you were both in the same office?—A. The same office, but there were two rooms.

Q. But there was a door between them?—A. Yes, sir.

Q. And you were very friendly with each other?—A. Yes, but not with regard to business. He knew no more about my business than you did, nor I about his.

Q. This was not a matter of his business; he was bidding for your firm.—A. It was between him and J. L. Sanderson. If they did anything of the kind I was not asked about it.

Q. The business would probably be transacted in your office, would it not?—A. It might have been at night or it might have been in the daytime, but without my knowledge. I am satisfied it was not done by me or before me.

Q. Why did not your firm keep a bank-account out there?—A. Because they had no money to keep.

Q. None whatever?—A. None to amount to anything. They had a safe in their office and they would keep some money, perhaps \$200, in it. That was about all they had. I never kept a bank account and Sanderson never did.

Q. You do not know of any bank-account of the firm kept anywhere?—A. No, sir; I do not unless it be by Barlow.

Q. In all the correspondence you had with Barlow, and with all the opportunities you had, you had no idea where the bank-account of the firm was?—A. There was no bank-account of that firm.

Q. Are you sure of that?—A. I know it. There might have been a bank-account of Barlow here, or Sanderson might have had a bank-account at Saint Louis, an individual account, but not the firm. I had a bank account at the Butchers and Drover's Bank, in Saint Louis, for about six weeks at one time, and that was all.

Q. The way you understood the business was transacted, then, was this: Bradley Barlow collected the mail-money in his own name and deposited it somewhere in his own name, and then settled for it through you by drafts in favor of the company and of Sanderson?—A. Yes, sir. He collected the mail-money of course, and he paid what he was called upon to pay.

Q. That mail-money he must have deposited in his own name?—A. I presume he did. He did not deposit it in the company's name.

Q. You think that deposit would be where?—A. I think it would be at Saint Alban's, Vt.

Q. In his own bank?—A. Yes, sir; I think so.

Q. What do you know about his certifying checks for contractors?—A. I don't know anything.

Q. What makes you think that he deposited this money at the bank at Saint Alban's?—A. Because he was one of the main men in that bank—president, or cashier, or something.

Q. He has a pretty large interest in it of his own?—A. I do not know how much stock he has got, but I know that all those drafts came from that bank.

Q. Was the money, you think, deposited in his bank or deposited in the National Park Bank, in New York?—A. I do not know which, but I should judge it was in the

Saint Alban's Bank ; what makes me think that is because of the drafts coming in that way.

Q. Would it not be easier for him to deposit it in the National Park Bank and draw on it from his bank ?—A. I do not know that it would be easier, but it would be just as convenient any way ; I do not know where he did deposit it ; I can only tell you with reference to the drafts.

Q. They were uniformly drafts from his bank upon the National Park Bank ?—A. Every one of them.

By the CHAIRMAN :

Q. Please tell the committee whether you did not make "short" reports on express-matters in order to defraud the United States out of internal revenue.—A. No, sir ; I never did.

Q. What has become of that box of papers that was in your cellar—a shoe-box ?—A. A box of papers ?

Q. Yes.—A. There are three or four of them at Pueblo.

Q. Are there any at Kansas City ?—A. At Kansas City all the papers except for the last six years are gone.

Q. I mean the box of papers that you had moved out of the upper room in the store and put into your cellar.—A. They were a lot of way-bills that were left there, and when I was called from Saint Louis they were moved to W. H. Cooper's store, across from the Pacific House.

Q. Where is that box of papers now ?—A. At Pueblo, I think.

Q. You are certain that that was not receipts for express-matters that had passed over your line ?—A. No, sir ; it was old way-bills of all kinds, stage and express both.

Q. Do you mean to say that you made full reports all the time for Barlow, Sanderson & Co. of all matter that passed over your line ?—A. I did so every month, to the best of my knowledge.

Q. Did you never say to any one that it would not do for a United States officer to get hold of the books and papers ; that it would raise the very devil with you ?—A. No, sir ; I never did.

Q. You are certain of that ?—A. I never did.

Q. Did you ever say anything of that kind to any one about your books and papers ?—A. No, sir ; I never did.

Q. Did you ever tell anybody that any one ever gave a diamond-pin to some person here in Washington ?

Mr. CANNON suggested that the fair way to put the question would be to call the witness's attention to the testimony that he had made the statement asked about, instead of putting this broad question.

The CHAIRMAN. I desire to ask the broad question.

Q. Did you ever tell any one that Sanderson or Barlow, or anybody connected with them in their mail-contracts, had given any one in Washington, or anywhere else, a diamond-pin, for the purpose of facilitating their business in connection with their mail-contracts ?—A. I never did, and I never knew that they gave any one a diamond-pin.

Q. You never told any one that there was a pair of horses given to any one ?—A. No, sir ; I never did tell any one that.

Q. Did you ever hear anything of that kind ?—A. I never did. There was a horse given to me by Barlow & Sanderson ; a good many years ago they made me a present of a horse, and I have him to-day.

Q. What else did they ever give you ?—A. Nothing more than a salary of \$2,000 a year.

Q. When do you say you first saw Barlow since you have been here ?—A. I saw him this morning.

Q. Where did you see him ?—A. At the Arlington Hotel. He came down with Mr. Danforth. I went up as far as there from the Saint James with Mr. Danforth, and he went up to Mr. Barlow's house.

Q. What time did you see Mr. Barlow ?—A. I think it was about eight o'clock this morning.

Q. How long did you see him ?—A. About ten minutes.

Q. Have you stated here all the conversation that passed between you and him ?—A. I have.

Q. What he said to you and what you said to him ?—A. I told him I was called here and that I would like to get away from here as soon as possible.

Q. How much of the ten minutes did it take you to say what you have reported here ?—A. The interview may have been ten minutes or it may have been twenty minutes.

Q. You say it was at least ten minutes ?—A. I know it was.

Q. Do you think it would take you ten minutes to say what you have reported to the committee here ?—A. O, I said more than that. I was talking with him about stocking routes and where the horses had gone.

Q. Tell us what you did talk with him about.—A. I told him that the paymaster had started the horses from Saint Louis on Tuesday morning that they were going to put on their line from Cocharris around by way of Del Norte. That paymaster is Sanderson's brother. I saw him at Saint Louis, and he was asking me about the routes out there. I cannot tell you exactly the conversation, but in regard to this matter I have stated all that was said.

Q. What did you tell him that you said to Sanderson in Saint Louis?—A. I told him that I met Sanderson there and he told me to come right on through; nothing more.

Q. He did not seem interested to know about what you had said to Sanderson in Saint Louis or what he had said to you?—A. That is all I could say to him; that is all I knew.

Q. You remembered no message sent from Mr. Sanderson in Saint Louis to him?—A. I did not.

Q. Where in Saint Louis did you see Sanderson?—A. I saw him at the depot. I telegraphed from Kansas City for him to meet me at the depot.

Q. What did you want to meet him at the depot for?—A. I wanted to know what I was called here for.

Q. What did he tell you?—A. He said he had the same kind of subpoena himself, received a month or two ago.

Q. When did he tell you he was coming?—A. He did not tell me he was coming at all.

Q. Did he tell you he was not coming?—A. No, he did not. He showed me the paper.

Q. What did he tell you?—A. He told me to come here.

Q. Did he not tell you to tell the whole truth when you came here?—A. Yes, he did.

Q. How did he happen to tell you that?—A. He volunteered that; he need not have told me, because I would have sold it anyway.

Q. But how did he happen to tell you that?—A. I don't know.

Q. Did he ask you if you remembered all the transactions?—A. No, sir; he did not.

Q. What else did he tell you?—A. That is all he told me, as near as I can remember.

Q. And you do not know how he happened to tell you to tell the whole truth?—A. No, he did not. I do not think he knew himself what you wanted of me here more than I did, and I did not know.

Q. I understood you to say that Sanderson staid out there in the same building with you and Danforth?—A. Mr. Sanderson and Danforth staid in the building. I did not stay there; I had only an office there.

Q. You were all there together in the day-time?—A. Yes, sir.

Q. You were friendly and intimate with Sanderson?—A. I was.

Q. Did you and Sanderson ever talk together there?—A. Yes; we have talked a good deal together, but not in regard to business.

Q. You have talked a good deal together?—A. I presume we have.

Q. Were not Sanderson and Danforth there most of the time during the day?—A. I think they were when Sanderson was there; Danforth was there all the time.

Q. Were you not talking continually together when not engaged in business?—A. No, sir.

Q. You went to your home at night?—A. I did.

Q. Did you ever hear Danforth and Sanderson talking together?—A. I have heard them.

Q. Did you ever hear Sanderson tell Danforth anything about his mail-arrangements anywhere?—A. I cannot say that I ever did.

Q. Did you ever hear Sanderson say anything about the way he managed things when he came here to Washington?—A. No, sir; no more than that he came on to raise money to pay the bills.

Q. Do you know that Sanderson drew money from you and the paymaster for the purpose of coming to Washington?—A. He has drawn it from me and he may have drawn it from the paymaster, but I don't know that he has had any here.

Q. How much has he drawn on those occasions?—A. I cannot tell you.

Q. Do not you know that he drew a large amount to come on to Washington with?—A. No; he could not have drawn it from me. If he drew any large amount, he must have drawn it from here. They did not have the money there to draw it from.

Q. Do you mean to say that the money that was sent out there was all required to pay the expenses of the concern?—A. Yes, sir.

Q. Were not any of the expenses passed to the account of Sanderson over \$500 a quarter?—A. Not that I know of; I don't think there was; I am satisfied there was not; and it has only been for about a year and a half that he has drawn his \$500 for traveling expenses.

Q. Do you know by your books of Sanderson paying any money to any individual in any case in which there was not a description of the item or purpose for which it was paid?—A. I do not.

Q. Were there never any expenses put on the books of Barlow and Sanderson, either

one of them, or of any agent of theirs, and the object for which that money was paid not expressed on the books?—A. Not that I know of; if there was, it was a voucher direct to Sanderson for "expenses;" what that was I cannot tell.

Q. Did you never get a large voucher of that kind from him?—A. No, sir; I never did.

Q. Did you never get a large voucher of that kind from Barlow?—A. No, I never did.

Q. There is no trace on your books of any large amount being paid out to any one and charged to either of these parties?—A. I don't think there is.

Q. I understand you to apply your answer to all the time that you kept the books for Barlow and Sanderson up to the time you resigned your position?—A. Certainly.

Q. And nothing of the kind ever occurred up to that period?—A. No, sir.

Q. And you do not know from anything that Sanderson told you, or that Barlow told you, or that any one else in their employ has told you, or that other parties have told you, that any money was ever paid in that way?—A. No, sir; I never was told that, and I don't know that they ever paid a dollar to any man living, that is, outside, except the expense of running the thing there; outside of that I don't know that they ever paid a dime.

Q. I believe you answered Mr. McMahon that you had not any suspicions of that kind; you have none?—A. No, I cannot say that I have any at all; it is a matter that I never had anything at all to do with.

Q. From the intimate relations between Sanderson and Danforth in the office there, do you think that Danforth can be mistaken in regard to matters that transpired in the office, or that he can misstate them unless he wants to tell an untruth?—A. I don't think he can be mistaken, and I would not say that he would tell an untruth, either.

Q. You would not say that?—A. No; I could not say it.

Q. Suppose Danforth said that you had told him that on those books it might be seen that \$5,000 a month was paid to one of those fellows at Washington?—A. I would say then that he told an untruth.

Q. You would say that he had sworn to a lie?—A. I would just say that.

Q. You never did, then, make any remark to Danforth about any item on your books that would show that any money was paid here at all?—A. No, sir; I did not.

Q. And if he has made any statement to that effect he has sworn to a lie?—A. I think so.

By Mr. LUTTRELL:

Q. Did not Sanderson tell you a short time since that he thought the investigation would make it pretty hot for them?—A. I don't remember that he did. I have not seen him but twice for a year.

Q. Did he state to you when you were in Saint Louis the other day that in all probability the investigation would expose some of their contracts, and make it rather hot for them, and give them trouble?—A. No, sir; he did not.

Q. Has he at any time prior to that made any such statements to you?—A. No, sir; he has not. He has never said one word in regard to this thing.

Q. Did Sanderson then express any hesitation as to coming here?—A. Yes, sir; he said he did not want to come back here to Washington. That is the only thing he did say. He said he had been subpoenaed here, and they had let him off, and he did not want to come back here again; he told me that.

Q. When you had money in the office out there, where did you keep it?—A. What little I had I kept in the safe.

Q. What size was the safe?—A. A safe about as high as this table.

Q. One of these small box-safes?—A. Yes; a little safe.

Q. You said that you may have had as much as \$20,000 there at once?—A. Yes, sir; there may have been that amount in drafts, but they did not amount to anything until they were signed. There were times when the amount was as high as that.

Q. Did not Danforth stay in that building?—A. He did.

Q. Did he ever express to you a fear that if it was found out that there was money in that safe he might get into trouble by some one breaking in?—A. He may have done so, but I do not remember that he ever did.

Q. Did Sanderson ever converse with you freely in relation to his business?—A. Yes, sir; so far as my part of it went. There are many things in his business, of course, that he never told me about; he would think probably that I had no business to know them.

Q. Did Sanderson ever tell you that they were having trouble with other bidders, and that they must get rid of them so as to make special contracts?—A. No, sir.

Q. He never said anything of that kind in relation to their postal contracts?—A. No, sir.

By Mr. MCMAHON:

Q. Do you know of any money being paid to contractors or bidders to get them off the track?—A. No; I do not.

By Mr. LUTTRELL:

Q. Did you ever hear of money being paid to other contractors or bidders?—A. No, sir; I did not.

Q. You heard no such rumors?—A. No, sir.

Q. You have read nothing of the kind?—A. No, sir.

Q. Do you know that it was charged that they kept buying off other bidders with the view of making special contracts themselves?—A. I have heard such things, but I do not know who from.

Q. When did you hear that?—A. I have heard it for the last six or seven years from outsiders, but who they were I do not remember.

Q. Did Sanderson ever speak to you on the subject, or you to him?—A. No, sir; he never told me anything at all about it.

Q. Then you have heard these things, but have not informed yourself about them?—A. I have heard it as outside talk.

Q. Did you never inform Sanderson of what you had heard?—A. He was probably the one that told me; I don't remember who told me, though; I cannot remember that I ever told him, and I do not remember his telling me.

Q. Where did you first hear it?—A. I cannot tell, but I have heard it for the last three or four years.

Q. When did you first hear it?—A. I have heard it ever since these last lettings, a year ago last July.

Q. You have heard it since the last lettings, and you have been in Kansas City all the time, so you heard it there?—A. I have not been there all the time, but I have most of the time.

Q. You were in company with Sanderson a great deal of the time there?—A. No; I have not seen him but twice or three times in a year. I think I saw him along last fall and I saw him again the other day.

Q. Do you not remember that you left the office once saying that if any money came there for you to pass it to Mr. Danforth?—A. No, sir; I don't think I ever did.

Q. Do you not remember Danforth receiving for you a package containing about \$28,000?—A. No, sir; and I don't think he ever did. I never had as much money as that come at any time.

Q. You do not remember his receiving it for the firm of Barlow & Co.?—A. I don't think he ever did at any time, for I have no recollection of that amount of money ever coming there at one time.

Q. What is the largest sum you ever had there?—A. I have had from \$5,000 to \$15,000.

Q. Did you not have any more than \$15,000?—A. I might have had as high as \$20,000. I won't be positive. I do not think, though, that Danforth ever received a package for me, but he may have done so.

Q. Do you swear as positively that the amount never did reach as high as \$28,000?—A. I will.

Q. Did you keep an account of the \$15,000 or the \$20,000 that you did receive at one time on the books?—A. Certainly. If I received it at all, I received it from Barlow, and I would give him credit for it. The entry would be "B. Barlow, by \$15,000, sight drafts on National Park Bank, received this day by express," or "by mail," as it happened to come.

Q. What did you do with the money when you received it?—A. I turned it over to the paymaster when I was called upon.

Q. Who was the paymaster?—A. Harley Sanderson, for three or four years past. Before that it was Charles Reynolds.

Q. Who was present this morning when you and Barlow had your conversation; anybody but Mr. Danforth?—A.

Q. Was he present all the time?—A. No, he was not.

Q. How long were you in company with Barlow?—A. I should judge ten, fifteen, or twenty minutes; I cannot tell.

Q. How long was Danforth present with you?—A. Probably about the same length of time. Barlow came out of the hotel with us both, and he went up with him or in that direction.

Q. Did not you and Barlow leave Danforth and go by yourselves?—A. We did. We came out of the hotel and then went back again, I and Barlow.

Q. Did Barlow ask you what you were willing to testify to here?—A. No, sir; he did not.

Q. Did Sanderson, at Saint Louis, ask you what you were going to testify to?—A. He did not.

Q. Not a word?—A. No, sir; he did not; nor Barlow did not ask me either.

Q. Did Barlow tell you to swear to the truth?—A. No, I don't think he did; but I think Sanderson did. I don't think Barlow told me anything about it.

Q. Did you, in turn, tell Sanderson to swear to the truth?—A. No, I did not say a word about it; because I did not know whether he would come here or not.

Q. What inference did you draw from his remark to you to tell the truth? If you

were subpoenaed to-day before a court and I should walk up to you and say, "Be sure and swear to the truth," how would you look at it?—A. I should look at it in this way, that they did not ask me to shield them in any way, shape, or manner; and if I testified, to tell all I knew and tell the truth; neither one of them ever asked me to shield them. That is the way I would look at it.

Q. He simply advised you to tell the truth?—A. To tell the truth, or the same thing, to tell all I knew.

Q. Did not he on that occasion tell you that certain papers or books had been destroyed, and that they would get nothing of them?—A. He did not speak of books, papers, or anything else to me.

Q. Do you know the amount of their transactions quarterly?—A. No; I cannot say. Do you mean the receipts?

Q. Yes, the receipts.—A. I think they would be \$25,000 or \$30,000 quarterly, or about that.

Q. Exclusive of the mail-service payments?—A. Separate from the mail-service.

Q. Do you know what their expenses were quarterly?—A. No, I cannot remember.

Q. Do you know what their mail-pay was quarterly?—A. No, I don't remember.

Q. Cannot you approximate it?—A. No, sir, I cannot.

Q. Was it \$50,000 a quarter?—A. There are three or four routes out there—

Q. Taking the whole of them together?—A. The only one that I can remember is that Fort Scott route; it was \$4,000 a year; and the Santa Fé route, between Carson and Santa Fé; I cannot tell the amount of that, for I don't remember; I cannot tell the amounts of the others.

Q. Did not the entire mail-contracts in that division, under your charge as book-keeper, amount to \$50,000 a year?—A. I think they did, and more too.

Q. Do you think they amounted to \$100,000 a year?—A. I cannot say.

Q. But you think it was over \$50,000 a year?—A. I do, taking all those lines in together.

Q. And you say their quarterly receipts amounted to how much?—A. I should say from \$20,000 to \$30,000.

Q. That makes \$120,000; now can you approximate anything near the amount of expenses in running the line?—A. I cannot.

Q. Do you think it amounted to \$20,000 a quarter?—A. I cannot tell anything more about it than you can; not a bit. I know this, that the receipts or earnings never would pay more than two-thirds of the bills, and the other third would have to come out of the mail-pay, and in a quarter when hay would have to be put up it would overdraw the mail-pay a good deal; but the receipts never would pay more than two-thirds of the running expenses, and they are not doing it to-day. The expenses might be \$50,000 a quarter, for all I can tell, and then, if the receipts were \$40,000, we would have to draw \$10,000 out of the mail-pay.

Q. That would be \$40,000 a year out of the mail-pay of \$50,000 or \$60,000?—A. Yes, sir; whatever it was.

Q. That still left a margin for profit?—A. Yes, sir.

Q. You do not know what was done with the mail-pay?—A. Yes, sir; I do. Barlow reported that he received it; then what he did with it, I don't know.

Q. He reported the amount that he received for mail-pay, and that is on the books?—A. Certainly.

Q. And you swear positively that during the eight or nine years that you have been with that firm of Barlow, Sanderson & Co. they have never spoken to you on the subject of straw-bids?—A. They never have, sir, in any way, shape, or manner; nor ever asked me to put one in, nor anything else.

Q. Did you ever have any conversation with Foster, the postmaster at Kansas City, on that subject?—A. Not that I know of. I don't think I ever did.

Q. How long was Danforth stationed there, at Kansas City, in the office with you?—A. I cannot tell; I think it was either two or three years.

Q. Where are the paymasters of Barlow & Sanderson—the present one and his predecessor?—A. The present one, Sanderson's brother, as I have stated, was at Saint Louis, and went west with the stock. The other one, Reynolds, I don't know where he is. I believe he is up in Vermont somewhere. I have not seen him for four or five years.

Q. In what capacity was Mr. Danforth in the office first?—A. He held a position selling tickets, and as a kind of a land-agent for the Kansas Pacific Company.

Q. Was he promoted while he was there?—A. Not that I know of—yes, he was; they had him as a kind of a western traveling passenger-agent; after he had been there a year or two he was promoted.

Q. He was promoted to be a kind of traveling agent or superintendent?—A. Not a superintendent; a kind of a western traveling passenger-agent, to solicit passengers and sell land for that railroad-company.

By Mr. CANNON:

Q. Did you tell Danforth that you had the box full of papers, in Cooper's store in

the attic, and that if the revenue-agents got hold of them hell would be to pay, and they would catch you on the express-matter, because you had made it up short?—A. No, sir; I never did tell any such thing as that.

Q. Was Danforth afterward with you in the cellar of your house, and did he see the box of papers, of the kind above referred to, that had been moved from Cooper's store to your cellar in 1870, and did you repeat to him the same thing?—A. I don't think he ever was there; still he may have been.

Q. Did you repeat the same thing to him there?—A. No, sir.

By the CHAIRMAN:

Q. Still you say the box was there?—A. Yes, sir.

Q. You did move it out of Cooper's store to your cellar?—A. Yes, sir.

By Mr. MILLER:

Q. When you were in the service of this firm do you remember anything about the bids, or about who put in bids for the service, aside from Barlow & Sanderson?—A. Yes, I remember hearing that this man Bishop, at Saint Albans, a banker there, and Mr. Barlow's daughter put in bids, and a number of others that I cannot mention. I know they were in there as bidders, but whether they got any contracts or not I don't know.

Q. Was there any bid by any person about Kansas City?—A. Not that I know of.

WASHINGTON, *March 18, 1876.*

BRADLEY BARLOW sworn and examined:

By the CHAIRMAN:

Question. Where do you reside?—Answer. At Saint Albans, Vt.

Q. What is your occupation?—A. I am president of a bank there.

Q. That is your permanent residence?—A. Yes, sir.

Q. Have you a residence here also?—A. I have; 1730 I street.

Q. Do you live here any part of the year?—A. My family have not been here this winter; they have been heretofore for, I think, four winters.

Q. What other business have you besides banking?—A. I have been engaged more or less for the last fifteen years—or perhaps a little more than fifteen years—in staging and the transportation of the mails.

Q. Have you had friends doing business with you in the transportation of the mails?—A. Yes, sir.

Q. Please state to the committee the men that you have been doing business with in the mail-service.—A. Mr. Sanderson for nearly the whole of that time has been interested with me in the business, but latterly during the last contract-term there was a portion of the business that he was not interested in.

Q. State first the business of transporting the mails in which you and he were interested together.—A. In Kansas, Colorado, New Mexico, and Arizona.

Q. Can you name the routes that you and he were interested in?—A. I cannot tell the numbers, but I can tell the termini. The principal route (we had a good many smaller routes) was what is called the Santa Fé route, and during the last contract term we had a route from Santa Fé to El Paso, and also from Messila to San Diego, in California.

Q. El Paso is on the border of Texas, I believe?—A. Yes, sir; and of Mexico.

Q. What other routes have you had?—A. We had a route from Denver—I think a portion of the time to Trinidad; perhaps it may have been curtailed at the last letting but one, so as to commence at Pueblo, in Colorado, and run to Trinidad. That is about one hundred miles.

Q. Had you any route running west from Kansas City, or in that direction, to Santa Fé?—A. I think that at the letting of 1870 the route was advertised from Kit Carson. For the previous four years, from 1866 to 1870, we had the route from Kansas City to Santa Fé.

Q. Then it was extended out on the railroad?—A. Yes, sir; as the railroads extended it was curtailed from time to time. I think the route was advertised from Kit Carson to Santa Fé; and before the route was let I think it commenced at some other point, which I don't remember.

Q. Are those all the routes you can think of that you and he were interested in together?—A. Yes, sir; except that I afterward took the service on what is called the Oroville and Portland route in California; Sanderson and myself had a quarter interest in that route.

Q. Please tell the committee how you and Sanderson conducted your mail-business; what was your business organization?—A. Mr. Sanderson and myself were equal partners in our transactions; and he carried on the business out there, and I looked after the business here. I was seldom there and he was seldom here.

Q. Where was the office of that partnership?—A. The office of the company a portion of the time was at Kansas City, but Mr. Sanderson's family reside at Saint Louis, and he for a time ordered the book-keeper to keep the books there. As the larger share of the supplies had to be purchased there, I thought it was more convenient; but after trying it a little while we broke it up and went back to Kansas City again.

Q. Who was your book-keeper?—A. John R. Griffin.

Q. The gentleman we had here as a witness?—A. Yes, sir; he was here yesterday. He is at my house now.

Q. What part of your business was contained in those books?—A. All of the accounts with the employes of the company and the purchases of supplies for the use of our business there; and quarterly I made a statement of the collections of the mail-pay here, and of such charges and payments as I had made during the quarter, and that I sent to them, and that was entered in the books there.

Q. The expenses that you were at at this end of the line were sent to the book-keeper and charged up each quarter?—A. Yes, sir.

Q. So as to make a general settlement between you at the end of each quarter?—A. Yes, sir. Our practice was, unless something extraordinary happened, to settle our business every quarter.

Q. In that settlement was a statement sent to you and to Mr. Sanderson; was each furnished with a statement?—A. Yes. I was furnished with a statement of the balance, just a simple balance of the account, what Mr. Sanderson's account was with the firm and what mine was with the firm, and our respective balances, whether there was anything due from me to the firm or from him to the firm; and also it showed the general balance to the credit of the firm; the books themselves would show all that.

Q. How often were you in the habit of forwarding your accounts here to the firm there?—A. Once in three months. After the collection of the mail-pay I would usually get the clerk to give me a transcript from the books of the Department showing the amount of mail-pay for each quarter, the collections of postmasters, and any fines or deductions, if there were any; just a transcript from the books.

Q. And sent that?—A. No; I did not send that. I sent them the result; what that showed.

Q. You mean you sent the balance?—A. I sent him the balance; notified him that I had received so much. The practice was to charge me the entire amount of mail-pay and credit me with the amount they collected out there on the routes; we have to collect from the postmasters along the line of the route, and they would give me credit. I sent them the amount of the entire mail-pay that I collected here, and they charged the whole of that to me and credited me with the amount that they had collected out there.

Q. With that statement of the entire amount of money that you had collected here as mail-pay, did you also send him at the same time a general statement of the expenses you had been at?—A. Yes, sir; I sent him a statement of any sums that I had been called upon to pay during the quarter.

Q. Did you send a uniform amount or did the amount vary?—A. O, it varied; sometimes one sum and sometimes another; such sums as I had paid out. Sometimes I had paid for a lot of wagons, sometimes for harness, and various expenses. Whatever charges I had to make I made them.

Q. Were you in the habit of sending a general expense account without specifying what it was for; a general-expense account; so much paid out for expenses without specifying the articles?—A. Sometimes I did.

Q. Was that general-expense account sent regularly each month, and was it the same amount or different amounts?—A. Just as it happened to be, as the fact was.

Q. Can you approximate about the amounts of that expense-account which did not specify the items?—A. I think I generally charged them \$500 a quarter; estimated it at that, for I could not tell what they were.

Q. Did you just send a charge for that sum?—A. Yes, sir.

Q. Was that the only item that you sent without describing what it was for?—A. I presume not. I cannot say.

Q. How was that general-expense account in regard to the amount that you sent quarterly?—A. I could not remember very much about it. Our transactions were very large and I used to make, as called upon, remittances for the payment of whatever they required. They usually notified me of the sum they would want, and when I got the money collected I would send them the amount that they called for. I could not tell how it was; sometimes as much as \$20,000 and I don't know but more sometimes.

Q. Did you always send to go on those books every expense that you were at for paying out money here?—A. Yes, sir.

Q. You did not leave any matter of money to be settled between you and Sanderson privately?—A. None at all.

Q. How did you send those accounts?—A. My impression is—I knew my drafts were always payable to Barlow & Sanderson.

Q. To whom did you mail those statements?—A. To Mr. Griffin, or I don't know but

they might have been mailed to Barlow & Sanderson. It would be all the same thing. He was recognized as our cashier.

Q. Whom would you send the drafts to?—A. Barlow & Sanderson, or it might be to Griffin.

Q. He had the authority to take them?—A. Yes, sir.

Q. And indorse them?—A. I presume he did. I never saw one of them after I sent them, that I know of. We had entire confidence in him, and I presume that Mr. Sanderson allowed him to indorse them.

Q. You have undoubtedly a general idea of the amount of expenses that you paid out here that you did not put down in items?—A. Well, sometimes they were pretty large.

Q. How much?—A. I should say sometimes several thousand dollars.

Q. Those expenditures were sent in a general statement of expenses, without specifying what they were for?—A. Yes, sir.

Q. When you bought wagons and any other articles necessary for conducting the business, did you make no statement about the articles?—A. I think that generally when there was a bill of wagons it was stated so. The bill was sent to me, and I made a charge—paid so much.

Q. Your impression is that when there was a bill of articles bought you sent the bill?—A. No, sir. Usually the bill would be sent right to them, and they would notify me that the bill had come, and the amount of it. Sometimes I would remit to them, and sometimes give them an order, and charge it.

Q. That general-expense account was put on the books and charged up to you?—A. Yes, sir; or rather credited to me.

Q. Please state to the committee what other mail-routes you were interested in with other persons besides Sanderson.—A. Substantially what is called the Idaho service. From Kelton to The Dalles, and from Winnemucca to Boise City, and from Boise City there was a once-a-week service of about two hundred and fifty miles across the country to Cañon City and from Elko to Mountain City.

By Mr. MILLER:

Q. Was there not a route from Cañon City to The Dalles?—A. There were several routes there, and I don't now remember the particular ones. We called it the Idaho service.

By the CHAIRMAN:

Q. Was there a route from Walla Walla to Missoula and Helena?—A. No, sir; I never had any interest in that, not the slightest; neither did Mr. Sanderson.

Q. Was he interested with you there?—A. Not at all; no interest whatever. The firm in that business originally was Barker, Tuller & Barlow. I was not a bidder, and had no interest in those routes at all; I never bid for them and had no interest in any bids for them, but bought them after the contracts were awarded—bought the stock on those routes and the contracts; bought them all; and I would state further that I made a venture for my daughter in her name. I never was a contractor on those routes, but she is one of the contractors. L. Smalley, Barlow, and I hold myself responsible for them.

Q. Those contracts were in the name of your daughter, then?—A. Yes, sir.

Q. You say you made purchases of the stock after contracts were awarded?—A. Yes, sir; from the parties who got them. At that time the practice was allowed, at the request of the party that the contract was awarded to, to have the contract made in any other party's name who gave satisfactory sureties.

Q. Were you recognized at the Department as the contractor?—A. I don't think I was recognized as contractor, because they never recognize any person except the person on the books; but I had a power of attorney for collecting the mail-pay. They always recognize that.

Q. You were the party who was running the mail, and were responsible?—A. Certainly, responsible for the whole thing; just the same as if I had been the contractor.

Q. Of whom did you purchase those contracts?—A. The route from Kelton to The Dalles I purchased of a man who is now dead, named Lockwood, and a man who was last year a Representative from that Territory, John Haley. I did the business with Lockwood.

Q. The contract had been awarded to them?—A. I don't remember the name of the party that it was awarded to, but they were the owners of the stock and the owners of the bid, whatever bid it was. I don't remember whether it was in Lockwood's name, or in whose it was. The route from Winnemucca to Boise City (at that time it was from Elko to Boise City) belonged to Hill Beachey, and also the stock on the road. The one from Boise City to Cañon City, I think, was purchased from Lockwood; he individually owned that and the stock on the road. The other contracts that were acquired at that time were small matters, and I don't think there was any stock of any amount on the road. The whole purchase of stock on those routes aggregated about \$200,000.

Q. Then you were not the original bidder at all on those routes?—A. No, sir; neither myself nor any person in my interest. Mr. Sanderson and myself never bid in any section north of Denver. The only bid that we ever put in was on the Oroville and Portland route, that I know of.

Q. You purchased the route from Kelton to the Dalles from Lockwood and Haley and carried the mail at the contract-price at which it was awarded to them?—A. Yes, sir. Perhaps I had better state that after carrying the mail for about a year, or nearly a year, from Elko to Boise City, it was found impracticable in the winter-time to carry it over the mountains, and a change was desired by all parties that knew about it, and the terminus was changed back to Winnemucca. Beachey had got it changed the contract-term before to Elko; he was interested in a toll-road there. It was found to be impracticable, and it was changed back again to the old point.

Q. At what time was it that you made this purchase from those men?—A. It was about the time that the contracts were awarded. I think they were awarded finally about the 1st of June, 1870. You will recollect that that year Congress passed a resolution that compelled the Postmaster-General to go up on the bids until he found some of the bidders to contract with, unless the bid was too high. The effect of that resolution was that it released, as it was supposed, all of the bidders except the accepted bidder, and the accepted bidder was at an insignificant sum compared with the value of the service; and the result of it was that the Postmaster-General was required under the law to go up the list of bidders and contract with the first one who would accept it, unless he considered it too high. If he did he could re-advertise.

Q. Were those men that you purchased from the accepted bidders?—A. They were the accepted bidders. The first of the accepted bidders had failed to make any appearance of performing the service. By the terms of the advertisement they were to make their contracts by the 1st of July; but this resolution, in order to avoid any failure to find some person to contract with, provided that the accepted bidder should contract a month earlier, namely, by the 1st of June; so I think the contracts were not awarded to these persons until the 1st of June.

Q. Where did you make the purchase?—A. Here. The men were here.

Q. You made the purchase soon after the awarding of the contract?—A. Yes, sir; at the time it was awarded.

Q. You made the purchase by buying out their stock?—A. By buying out their stock. They had run the routes previously.

Q. Where was the headquarters of this business arrangement?—A. Here.

Q. Where was the office; out in that country?—A. At Boise City.

Q. Who conducted your business out there?—A. William B. Morris is our book-keeper.

Q. He is there at Boise City?—A. Yes, sir.

Q. Have you these same contracts still?—A. We have them in the parties' names that we could get them in. We had the stock and we were under the necessity—

Q. You are running those contracts?—A. We are running those contracts.

Q. They were awarded to other bidders?—A. Yes, sir.

Q. Did it occur at the last letting, as at the first, that the contracts were awarded to the lowest bidder and he failed to carry the mail?—A. Well it was—no, not exactly that; because they were awarded to the lowest bidders who entered into a contract and after entering into the contract they failed.

Q. Now, under the new law, I understand that they have to deposit a certified check for a certain percentage of the bid?—A. Yes, sir.

Q. Those contractors deposited that check?—A. I suppose so; I presume so, as a matter of course.

Q. Do you know anything about those checks that were deposited for the lowest bidder on this route?—A. I do not.

Q. You have no knowledge or information about the banks they were drawn on, or who was responsible for the checks?—A. I do not know. I certified myself to a great number of checks; I could not tell how many. As president of a bank I certified a great number of checks.

Q. Did you certify any checks of those men who were the lowest bidders?—A. I could not say.

Q. Do you mean that you do not remember?—A. I don't remember; I know I did not certify for those parties, but I gave certified checks to a great many parties who gave me their paper for them, and they used them where they pleased; I never knew nor never inquired.

Q. They gave you their paper for them, you say; what do you mean by that?—A. I mean that they gave their notes or drafts or acceptances; such paper as I required them to give—good paper—and I gave them checks on our bank at Saint Albans, certified by myself as president.

Q. You are president of a bank; do you generally keep the business of that bank, the amount of indebtedness that the bank would be called upon to pay while in hand, and understand it thoroughly?—A. Yes, sir; I do.

Q. Can you tell the committee about the amount issued at any one of those lettings of certified checks against your bank?—A. I cannot tell you now; but it was several hundred thousand dollars.

Q. How many hundred thousand dollars?—A. I know it was several hundred thousand dollars. I could not tell you how much.

Q. Five hundred thousand dollars?—A. I think very likely it was.

Q. Six hundred thousand dollars?—A. I think very likely.

Q. Seven hundred thousand dollars?—A. It might have been.

Q. Might it have been more than that?—A. Well, I don't know but it was.

Q. Tell the committee how much you think it was.—A. I think it was somewhere between \$500,000 and \$700,000 checks that I certified.

Q. That was a pretty heavy amount of certified checks for one bank, was it not?—A. Yes, sir. I did not consider there was much risk in it, however.

Q. The bank would have been able to meet the obligations without any trouble?—A. All that would be likely to come. Banks never can meet all their obligations—any banks; you find that out when they are called on to pay.

Q. I do not know anything about that.—A. Well, I do. I don't think 10 per cent. of them can.

Q. Do you state to the committee that all those certified checks that you gave, you had what you considered reliable and responsible collateral?—A. Not collateral. I had good paper for all the certificates that I gave.

Q. In the letting of these contracts you say that you were not a bidder, and were not interested, and did not procure anybody else to bid on them?—A. I don't know as I could strictly say that. I was not interested, and did not bid at all. I fully intended and hoped to get out of the mail-service entirely. I was in hopes that somebody would get the contracts who would buy our stock.

Q. Why did you say you could not answer that question?—A. Well, there was the same interest. For instance, my bids were put in in my daughter's name on these same routes, and my son-in-law and my cashier bid; and they and some other parties, if they had got them at any of their bids, they would have been able to—

Q. Did not you consider that those were your bids?—A. Well, I should have taken care of them. I guess I was on some of the bonds.

Q. Was it not your intention at the time they were put in, in other words, did not you procure these parties to bid for you?—A. So far as they were concerned I did intend to control and considered that I did control those bids that I have named.

Q. Did any of these parties, when they were notified from the Department that the lowest bid had failed to carry, fail to apply to the Postmaster-General?—A. I don't think that any of them were ever notified, except that on the Oregon and California route Mr. Bishop was notified; and if he replied at all—I think he did reply, or I did for him—I think he did reply and declined the service; he did decline the service certainly, and it was awarded to my son-in-law at \$73,700.

Q. What was Bishop's bid—he was your cashier?—A. It was \$63,700.

Q. He declined, and it was awarded to your son-in-law at \$73,000?—A. Yes, sir.

Q. Why did Bishop decline?—A. Because it was worth more money than that; it was worth more money than we are getting.

Q. Why did he bid, then, at \$63,000?—A. As I told you, he bid because I wanted him to.

Q. Then you state to the committee that you got him to bid and that that bid was made for the purpose of being thrown out?—A. No, sir; it was not for the purpose of being thrown out.

Q. Please explain what it was done for.—A. Well, it was done because I thought it very likely that we might be obliged to take it on that bid to save our stock.

Q. You intended to take it at that if you could not get any higher?—A. Yes, sir, if we could not get any higher I presume I should have taken it.

Q. You arranged, then, a scale of bids through these parties, so that you could run up to the highest prices you could get?—A. Well, not exactly that. It was to have some responsible party, so that if it was awarded to them I could take it if I chose, or let it go. It is a matter finally with the Postmaster-General. He could advertise at any point that he saw fit.

Q. The accepted bid on this route you were not interested in?—A. No, sir.

Q. You knew nothing about that bidder?—A. Nothing at all.

Q. You did not go on his bond or do any certifying of checks for him?—A. Not to my recollection.

Q. Who is on Bishop's bond?—A. I could not tell you; I don't know but I was myself. I could not say. Those things are all a matter of record.

Q. Had the Postmaster-General any right to call on Bishop to execute his contract?—A. I don't know; I don't think he had; I don't think he took that view of it.

Q. Then he was not held any more than any one outside?—A. Well, he had the right to accept it if he saw fit.

Q. It was all on one side? The Postmaster-General could not do anything but ask

Bishop, and if he did not want it he could throw it up?—A. The Postmaster-General could offer it to him. That is the law, I believe.

Q. If Bishop, under your arrangement, had been the lowest bidder you would have had to carry the mail at that price, would you?—A. Yes, sir; and I should have done it. I always have, if you will allow me to make a remark here—

Q. This committee want to be thoroughly posted in regard to the manner of what is usually termed straw-bidding, men that are set up for the purpose of getting mail-contracts to be thrown up at the end of the quarter, so that they can get their certified checks back, and in that way force the Postmaster-General to employ those men who have the stock and other arrangements to carry on the service, thereby taking advantage of the Government. You understand?—A. Yes, sir; I understand the point, I think.

Q. Now, if you will give the committee, without questions, any general knowledge that you have in regard to that matter, that is what we desire to get at.—A. That straw-bidding that you speak of is principally by parties who have no capital at all. You cannot do this business without a good deal of capital and the expenditure of a good deal of money; it is a very risky, hazardous business, and I don't know anybody in it hardly that has not failed in it or has not got poor, except myself. This straw-bidding and bidding in that way has been done mostly by a set of men without a dollar in the world, and they have black-mailed almost every contractor poor. Mr. Sawyer had some of the best contracts of any man in the United States, but he was black-mailed until his estate is bankrupt, I am told, by those men outside. We have had two investigations here of this business since 1870, thorough investigations, instigated, I have no doubt, by tales to members of Congress, so that they believed there were great frauds, and resolutions of inquiry were introduced and articles published in newspapers, and the result was these investigations in regard to these matters. The only purpose of those parties, in my judgment, was to black-mail contractors.

Q. The purpose of those straw-bidders?—A. Yes, sir.

Q. Do you mean to say that you never employed any person for the general purpose of straw-bidding?—A. I do, sir.

Q. You never used in any of your contracts any one for that purpose?—A. No, sir, I never did.

Q. You state, however, that you did employ some persons to put in bids?—A. To protect ourselves.

Q. What would you call that; would you call that straw-bidding?—A. No, sir, I do not call that straw-bidding. I have taken a contract; Sanderson and myself took the Fort Scott contract at one cent a year, one hundred miles, and a heavy mail, too, and it was never increased at all; we performed the service without asking any increase or expedition or anything of that kind. We carried the mail regularly and carried it satisfactorily, to the satisfaction of the Government, and we never asked anything more for it, and of course we never collected any pay; so it does not follow by any means that a low price is always a straw-bid. A great many people bid too low and suffer by it; we have done it. I am carrying a contract now for \$450, and I am paying \$2,600 for doing the service.

Q. That was not the rule in your bids?—A. No, sir, it is not the rule; but then it shows that a low bid is not always a straw-bid.

Q. If you had not been making money on other contracts you would scarcely have carried this mail at one cent?—A. O, certainly we would. We made money there on the transportation of passengers.

Q. Therefore you could afford to carry it at that price?—A. No; we could not afford to carry the mail, because if we had it done up as express matter we would get a large price for it; but we bid on it at that price because we didn't want anybody else to have the route—to keep others off.

Q. Why did you want to keep them off the route?—A. Because we wanted the business there. The passenger-service paid us well, and we made a good deal of money on it. So it is not always that a low bid indicates straw-bidding. Again, a man may make a low bid, as we have done, and think he can make some money; we thought we could make some money on the California route, but we have lost, and the Huntleys paid me \$20,000 for their share of the loss on that.

Q. This man Bishop bid for you?—A. Substantially for me.

Q. You had him bid there for the purpose of securing the contract at his bid if you could not get it any higher?—A. I thought I should take it at that.

Q. And when he got out of the way and permitted the contract to go up the scale higher to another bid that you had made, by your consent or by your order, what would you call that practice?—A. I should call it a fair practice; the Postmaster-General knew what he could do.

Q. You would not call that straw-bidding?—A. Not at all; by no means. The Postmaster-General knew about it, I suppose; I considered him a very good business man; he ascertained as well as he could that the service could not be performed for less.

Q. Which Postmaster-General did you so consider?—A. I am speaking now of this

last letting of Mr. Jewell's. He satisfied himself, and I think he took pretty good measures to do so, that it was a good trade to get that service done at \$73,700; that is the Portland and Oroville route.

Q. Had you carried that mail before?—A. Yes, sir.

Q. What had you got before?—A. You have got a long report here on that route, which I saw in the newspapers, from a couple of special agents of the Department, which, by the by, while it is not absolutely a lie, does not convey the truth about it. We had that service below—

Q. What did you get? Answer that, and then go on and tell about it.—A. I cannot state the exact sum from recollection. It was about \$200,000.

Q. Two hundred thousand dollars from Oroville to Portland?—A. No, sir; \$134,000 was what we got for the straight route.

Q. Was that the same "straight route" that you carry now under the Postmaster-General, Jewell, at \$73,000?—A. When it was advertised at the last letting it was advertised only for the distance between the termini of the two railroads, about two hundred and eighty miles, I believe. When the route was let it was advertised from Oroville to Portland, five hundred and sixty-five miles, and the contract was awarded to me finally after having been once awarded to somebody at \$98,000; that party failed, and they carried the mail for a considerable length of time by the old contractor, at \$700 a day. Then the Postmaster-General went up on the list of bidders to the bid of a man named Beekman, and he procured the contract upon papers that turned out to be forged, and the contract was annulled or withdrawn. That was done some time in October, 1870, I think. All the parties were here, at least quite a number of them were here, and it would then have gone up to the bid of the man named Cartwright, at \$167,000, but the parties who were in dispute about it, Mr. Carr, the old contractor, Cartwright and Beekman, and Beachy, met at the Post-Office Department, and the Postmaster-General decided that the contract could not be held by Mr. Beachy. They then asked to have an order made on the bid of Cartwright, at \$167,000. Mr. Creswell told them that he would not do it; that such parties as had not sold out their bids, or withdrawn their bids and sold out, might offer to do the service, and the one who would do the service lowest he would contract with, but those that had sold out bids he would not contract with at all.

Q. Or who had purchased bids either, I suppose?—A. Yes, sir; I suppose so. That is what I understood was said; I had no personal knowledge of it. At all events, I made an offer for the service; my offer was the lowest, \$134,000, and I thought we could carry it for that, but it turned out that we could not, and we never did. We carried it, but we never made anything in carrying it. Then the change was desired. It went over Scott and Trinity Mountains, two of the highest mountains in that country, and we had to keep oxen there to carry the mail over in the winter-time, because we could not get through with horses, and it made a very slow conveyance for the mails, but it was known there could be a shorter and more expeditious route by the Sacramento River, and upon the report of the representatives of that part of the country the change was made, and three times a week service left on a part of that old route and once a week on a part of it; and that increased the total cost of the entire service, I think, some thirty-odd thousand dollars.

Q. Was that Portland and Oroville route part of the business that was kept at Boise City?—A. No, sir; that was kept at Yreka. Colonel Hooker attended to that, J. W. Hooker, I think. His home is in Iowa, at the capital of the State, I think; but he was an old stage-man and had failed in business, and he was recommended to us as a good man to take charge of it, and he went there. I think he is in the employ of some of the western railroads now, and located, I think, in San Francisco. There is another point I would like to speak of in reference to this route. The route went clear through to Portland, and Mr. Holliday, who owned the railroad, or controlled it at that time, declined to take the mail. We should have been very glad to have him take the mail as fast as he completed the road, but he would not, and the consequence was that we were obliged to hire him to carry it, and we did so, and paid him \$200 a mile; we could not run our stages and carry the mail along the side of the railroad, and he declined to contract with the Government to carry it, and we paid him for it.

Q. Two hundred dollars a mile per year?—A. Yes, sir.

Q. How many miles was that?—A. Well, it was completed along from point to point until finally I think that before the fourth year expired he had built two hundred miles. The same was the case at this end of the road, but they afterward took the mail and the route was curtailed as far as they took it.

Q. The books that you keep at Boise City kept by Morris, were they kept in the same manner that the books at Kansas City were kept?—A. No, sir, they were not.

Q. How were they kept?—A. We kept nothing there but the expenditures there.

Q. Who drew the money here for those contracts?—A. I drew the money for the whole.

Q. Please tell us how those books were kept, and those accounts rendered?—A. Those accounts would show nothing but the transactions there with the employés of the

company and such others as we dealt with. They would show nothing more whatever except the amount of money. I settled with the parties here; I issued the drafts on my order; the mail-pay was all received by me, and I showed what was drawn out there, and other expenses, and there would be no account of that whatever at Boise City.

Q. Where are the books by which that settlement was made?—A. There are no books about it.

Q. Where are the memoranda, then?—A. I have all that there are.

Q. Do not these records contain a full statement of all your expenses, amounts paid, &c.?—A. They do, so far as I have got them.

Q. Where are they—at your house?—A. Yes, sir.

Q. Not in this city?—A. No, sir.

Q. There are expenses, then, that they do not contain?—A. I do not know whether there are or not; I do not know that there are any expenses but what I settled with the parties.

Q. But I want to know if there were any expenses that these records do not contain.—A. If you will tell me what you want to know, I will answer it exactly.

Q. I want to know if you expended any money here in any way—I do not care how you spent it—that you have not memoranda of in these papers that you settled with your partners in this contract with.—A. I do not think there are any expenditures.

Q. You think, then, that the papers would show a full statement of all the expense you were at?—A. I think any papers that I have got would show all the expenses that there are.

Q. There was no verbal account rendered?—A. No, sir.

Q. It was put in writing, and that writing is with those papers?—A. All the expenditures that I have made are in the accounts that I have settled with the parties that I was interested with.

Q. Are the accounts written out and with those papers?—A. I do not know as I could furnish an account of all my expenditures; I do not think I could.

Q. You did furnish it to them, because you could not settle otherwise?—A. Yes, I did to them.

Q. Then you are not certain whether all those expenses are among these papers?—A. I am not.

Q. What is your impression?—A. My impression is that they are not.

Q. What expenses do you think are not there?—A. I think some expenses attendant on those investigations I told you about.

Q. What kind of expenses were they?—A. They were expenses that I thought it would be better to pay than to refuse to pay.

Q. I want to know what they were, and I presume the committee do.—A. Well, I paid some money to parties who were at the bottom of this investigation. I don't mean by that that I paid any money to any member of Congress or anything of that kind, but to parties outside.

Q. State to whom you paid the money and for what purpose?—A. It would be hard to tell the purpose. The purpose of the parties was to get some money out of this contract.

By Mr. McMAHON:

Q. Just give us the names and amounts. We will infer the purpose.—A. Well, I paid some money to a man named Farrar.

A. Please give us his full name?—A. I cannot give his full name; he was a lawyer here.

Q. How much did you pay him?—A. I paid him several thousand dollars.

Q. I think you can remember the amount.—A. I cannot tell you the amount; I kept no account of it.

Q. He was not your lawyer?—A. No, sir.

By the CHAIRMAN:

Q. What did you pay him the money for? Give the history of it.—A. Well, it is quite a long story, and perhaps may not be very interesting to you, and it was not very pleasant to me. To begin with, there were the same questions raised there that the special agents of the Post-Office Department raised with reference to the Portland and Oroville contract, that there was no warrant in law for making the contract in the way it was done. These questions were raised before the committee about four years ago, (in 1872, I think;) and we had paid Mr. Carr \$120,000 in coin for the stock on the road and also about \$25,000 for the other property on the road; and it would be pretty nearly ruinous to us to have the contract annulled, and I did not desire to have the investigation pressed, and those parties were pressing it, and I paid the money to get them to hold off.

By Mr. McMAHON:

Q. You mentioned one man's name; who were the others?—A. I think he had a good many partners.

By the CHAIRMAN;

Q. Tell us all you know about it and who they were.—A. I do not know them all, and I do not know as I know any of them. I think this man Lockwood that we bought off was in it. I did not think it at the time, because I thought he was friendly; but I learned afterward that he was in it, that there was quite a combination.

Q. How did you get at that combination?—A. Well, they took pains to convey the idea to me.

Q. How was it conveyed to you?—A. It was conveyed to me by parties coming and telling me.

Q. Tell us who they were.—A. I don't remember who they were now. There were a great many parties. I think that some of the parties themselves told me; Lockwood I think was one that told me about as much as anybody.

Q. Who else? That is a matter that would likely stick in a man's memory if anything. Cannot you answer the question?—A. I was trying to think who they were. I recollect very well that the first move that was made in reference to these things was some charges published in the Patriot here, I think, of a character to call the attention of some members of Congress to this thing, and I think resolutions were offered for an investigation.

Q. Do you recollect who offered the resolutions?—A. I don't remember by whom the resolutions were offered, but the thing was so persistent that it could not—

Q. I will call your attention back to the facts again. There was some person or persons who conveyed to you the information that this investigation was going on, and that started you to thinking about paying this money to stop it?—A. Well, I think that this man Lockwood did that more than any one else.

Q. What did he tell you?—A. He told me what was going on, and the parties that were pressing it, and said that it would be advisable for me to settle with them.

Q. Who did he say were the parties that were pressing it?—A. Mr. Farrar.

Q. Was he the only man?—A. No, I do not think he was. I think there were a good many; but it would be, perhaps, unjust for me to state what my surmises were.

Q. Was Mr. Lockwood the only man that came to you about it?—A. I do not think he was. I think there were several.

Q. Who was the next man you can think of?—A. I do not know as I could state anybody else.

Q. Do you mean by that, that you do not remember anybody else?—A. I don't remember with sufficient distinctness. I know that he did tell me, and had a good deal of talk with me, and I thought he was very friendly, and I think now that he was one of the parties.

Q. Do you mean to say before this committee that in a matter of such great importance as that, so likely to be impressed upon a man's mind, you do not remember the names?—A. Well, it was a good while ago, and it is not an agreeable subject, and I have endeavored to forget it.

Q. Would you not be all the more likely to remember a disagreeable subject?—A. No, sir; I would not. That is not my style.

Q. You think you would better remember an agreeable subject?—A. Yes, sir; I think I would. I do not keep these things in my mind any longer than I can help. If I did I should not be alive now.

Q. You forgot this thing because it was disagreeable?—A. No, not because it was disagreeable. I did not want to remember any more than I could help.

Q. But the question of not wanting to remember it and remembering it are very different things.—A. I cannot remember any more than I do.

Q. Do you remember the name of another man that came between you and these parties?—A. I do not now; I may recall it. I have not thought of it in a long time.

Q. What control had Mr. Farrar over an investigation in Congress?—A. I do not know. That is pretty hard to tell.

Q. Are you not in the habit of satisfying yourself where there is money concerned, so as to be pretty certain that you are paying the money where it will answer your purpose?—A. Yes; I am, generally. I was satisfied in that case.

Q. How were you satisfied about it?—A. Well, I was satisfied just the same as I am satisfied now that you would not have some things done here that are done if there was not the same hope and expectation of getting money.

Q. Satisfied of what? I do not understand that.—A. Well, I am satisfied that some parties that are very patriotic in pressing this investigation—of course, I do not mean to say that any member of Congress or any other gentleman anywhere is doing it—

Q. Well, we want to know whom you do mean, if you do not mean members of Congress?—A. Well, I don't know as I ought to state what I think about men; I don't know that I have a right to.

Q. You do not think you have a right to state what?—A. What I think; because it may be unreasonable or unfounded.

Q. Then you state that the only thing you can remember about this thing is that Mr. Lockwood came to you?—A. Yes, sir; I do not think of anyone else now.

Q. Where is Mr. Lockwood now?—A. He is dead.

Q. Then you can remember no man except a dead man?—A. I do not know but I could if I should try; but he was one of the principal actors in the thing.

Q. Why was he impressed upon your mind particularly?—A. Because we had just purchased the property from him and paid him a large amount of money, and I believed in him as much as I ever believed in any man in my life; and I found out afterward to my satisfaction that he not only was engaged with Mr. Farrar in this matter but he was engaged in similar transactions with reference to Mr. Sawyer's service.

Q. How did you find that out?—A. I found that out from Sawyer and various other parties.

Q. Mr. Sawyer is dead, too?—A. Yes, sir. It was a matter of general conversation here among the men who were familiar with these parties at the time.

Q. You say you were satisfied that you were spending your money in the right place; did Mr. Lockwood satisfy you of that? Was his statement the only reason you had?—A. Well, I noticed that the investigation did not amount to much.

Q. You noticed that it did not go on?—A. I noticed that it did not in any direction where I was interested.

Q. After the money was paid?—A. Yes, sir.

Q. Did you have any conversation with Mr. Farrar about it?—A. Yes, sir.

Q. What did Mr. Farrar say to you and what did you say to him about it?—A. I cannot remember what he did say or what I said about it.

Q. You cannot remember anything that you said to Mr. Farrar about it?—A. No, sir; I cannot much; I do not know as I can remember a single thing.

Q. What did you say to him when you paid him the money?—A. Well, I did not tell him what I thought of him. It is impossible for me to tell what I did say at that time.

Q. Did you just push the money at him, and did he put it in his pocket?—A. Yes, sir; he did.

Q. And not a word said?—A. O, there were words said, of course.

Q. Did not he tell you what he could do with the money?—A. No, sir; he did not tell me what he was going to do with the money, and I did not ask him.

Q. What sort of security was there that he could stop the investigation?—A. Well, I was satisfied with the way the thing was handled, as far as I was concerned.

Q. How was it handled?—A. Well, it was not handled to my detriment at all.

Q. How was it handled?—A. There is a report of the committee here that will tell you better than I can. I have not got it, but I have seen it.

Q. Do you mean to say that the money you paid Farrar procured the report of the committee?—A. No, sir; I do not mean to say any such thing.

Q. What do you mean to say?—A. Well, in the absence of any evidence to sustain the charges made, of course the report would be accordingly, would it not?

Q. Do you mean by that that the witnesses were bought off?—A. No, sir; I don't mean to say anything about it.

Q. Somebody was bought off; who was it?—A. Mr. Farrar was bought off.

Q. Was Mr. Farrar investigating the matter?

By Mr. McMAHON:

Q. Whom did he represent?—A. I do not know whom he did represent. He and his party represented the combinations which were made at the time. I believe that before the committee Colonel McKibben assumed the authorship of the articles on the subject under investigation. The report of the committee will tell all about it.

Mr. McMAHON. We are not after the report of the committee; we can get that.

Q. How much money was paid?—A. I cannot tell.

Q. About how much?—A. I think it was quite a large sum.

Q. Over \$5,000?—A. Yes, sir; over \$10,000, and over \$20,000.

Q. Over \$25,000?—A. Yes.

Q. Over \$30,000?—A. Yes.

Q. Was it over \$50,000?—A. No, sir.

Q. Was it over \$40,000?—A. Well, I could not tell you. I never kept any very strict account of it.

Q. You just shut your eyes and let it go?—A. Well, I thought it was better.

By the CHAIRMAN:

Q. Is not that the only transaction during your whole business experience, of a large amount, where you could not remember the amount that you paid for a specific thing that you had bought? If you had contracted for a piece of land you would remember it, would you not?—A. I might at the time. I have bought some land that I cannot remember now what I have paid for it.

Q. This was an extraordinary transaction, was it not?—A. Yes, sir; I thought it was very extraordinary.

Q. Would not you think a man would remember a transaction of that kind better than any other transaction of his life?—A. I do remember it.

Q. Please state the amount, then.—A. I cannot. It is impossible for me to tell.

Q. Approximate as nearly as you can.—A. I have done so. I have said it was more than \$30,000 and less than \$50,000.

Q. That is a large margin—\$20,000.—A. It is.

Q. Was it more than \$40,000?—A. I should think that in one way and another it was.

Q. You think it was between \$40,000 and \$50,000 then?—A. I know it was between \$30,000 and \$50,000. It was less than \$50,000. I speak from recollection.

By Mr. McMAHON:

Q. Was it paid all at one time?—A. No, sir; it was not.

Q. So much in hand and so much on the report of the committee?—A. I cannot explain exactly. It was not a very agreeable subject.

Q. Well, that was the idea, that you were not going to pay out the money without an equivalent?—A. I did not pay it for some time.

Q. Dealing with that sort of men, you would not pay in advance?—A. No, sir; I did not. They trusted me.

Q. The money was paid, then, after the report of the committee was made?—A. I paid them some money along from time to time. I always had money, and when they wanted any I gave it to them; as you do to such kind of men.

Q. Then you met Farrar frequently?—A. Yes, sir; a good many times.

Q. For whom did he say that he needed these large sums of money?—A. Himself and his party. He did not tell me.

Q. Whom did he tell you?—A. I could not say that he told me anybody.

By the CHAIRMAN:

Q. What made you say "himself and his party" then?—A. Because he represented to me that he had a party, and in fact I did not ask him who his party was.

By Mr. McMAHON:

Q. He simply agreed to "put up the job" and you agreed to pay for it; that is it, is it not?—A. That is about it.

Q. I understood you to say that McKibben was the person who assumed the authority of making those charges?—A. I understood so.

Q. What became of him then? Did he continue his interest in the investigation?—A. I think he did.

Q. How long?—A. Till it was through. I think he drew the report.

Q. How long after did he become attorney for some mail-contractor? Was he ever in your employ?—A. Yes, sir; he was, and is now.

Q. How shortly after the committee made its report did he get in your employ?—A. About that time.

Q. He has been in your employ ever since?—A. Yes, sir.

By the CHAIRMAN:

Q. This money that you paid out; I understood you some time back to say that you rendered an account of it to your partners so as to make a general settlement?—A. Yes, sir.

Q. And this is one of the things that you do not think is among the papers?—A. I do not think you will find that among the accounts not specified.

Q. Still you did know the amount enough to make a settlement?—Yes; enough to do that.

Q. And you mean to say that you have forgotten the amount and forgotten the arrangements about it since that time?—A. Yes, sir; of course, I do not remember it.

Q. You say you think McKibben drew the report?—A. I think he drew the minority report. There were two reports. That is my impression about it.

Q. Do you know who the witnesses were before that committee—any of them?—A. I do not think there were a great many witnesses before the committee. I think the examination was principally of Mr. Creswell, and whether he was a witness in the sense that I am to-day or not I do not know; I don't suppose he was, but I understood that Mr. McKibben conducted the examination on behalf of the charges.

Mr. McMAHON. You are right; the testimony is here.

By the CHAIRMAN:

Q. Who were the partners that you settled with, and where did you have the settlement?—A. Well, about such matters as this they always left the matter to me, and I told them what I had paid out, and they were satisfied with it.

Q. Where did that settlement occur?—A. Here.

Q. Who were the parties present at the settlement?—A. Mr. Sanderson and, I think, Mr. Huntley—I think C. C. Huntley; the other one had no interest in it. I do not know that they were ever together when it was settled. Mr. Sanderson never came here to settle. Whatever I said about it he did without any question.

Q. You told him all about this?—A. No, sir; I never told him all about it. I told him I had paid out so much money, and our transactions have been together so long that he never questioned my statement.

Q. Did you tell Mr. Huntley all about it?—A. Yes; I guess Mr. Huntley knew all about it. That is my impression. I think he was here at the time.

Q. Did you meet at your house in the city here?—A. I do not think we had any formal meeting about it any way.

Q. How did you get at the settlement, then?—A. I charged the amount that I paid out, and when I settled with them that was in the account that was settled. We adjusted our matters.

By Mr. McMAHON:

Q. Did you take a receipt from Mr. Farrar?—A. No, sir; I did not. These are honorary transactions, like gambling. We did not pass any receipts or papers about it. Any of these fellows would take my word.

Q. Is Mr. Farrar living here now?—A. No, sir; he is dead.

The CHAIRMAN. It seems a little peculiar that so many of them are dead.

The WITNESS. Well, Colonel McKibben is not dead.

Q. But you did not pay him any money?—A. Of course I have paid him a good deal of money.

Q. But in this transaction did you pay him any part of that money?—A. He was my attorney.

Q. I mean the party that you paid to?—A. I do not know but what he got that Farrar money. All I wished was that some of them had died a little sooner.

By Mr. CANNON:

Q. This was in 1872, you say?—A. I think it was; there have been two investigations.

Q. This was the first investigation?—A. Yes, sir; it was the first investigation.

Q. Was McKibben instrumental in having the charges preferred and working up the investigation?—A. I understood that Colonel McKibben avowed the authorship of those charges and appeared before the committee, and claimed to conduct the prosecution, if you may call it such.

Q. At the same time was he in your employ?—A. No, sir; afterward.

Q. About the same transaction?—A. Well, he was afterward in our employment.

Q. McKibben, so to speak, was the father of these charges?—A. Yes, sir.

Q. He was not in Congress at the time?—A. No, sir.

Q. Pending that investigation, and while it was going on, and before it was finally concluded, do I understand that he was employed by you?—A. My impression is that he was not till afterward. Colonel McKibben is a man of a good deal of ability and knows pretty well how to take care of himself; and I presume that he was not employed in relation to this. I do not exactly recollect about it; but that is my impression.

Q. Was the impression made upon your mind by Mr. Farrar that he was in your interest during the pendency of the investigation?—A. Well, I was satisfied in my own mind—I cannot state exactly how—but I was satisfied that there would not be anything pressed that would tend to my injury.

Q. Anything pressed by McKibben?—A. By anybody.

The CHAIRMAN. You mean to say that you paid the money for that purpose and you thought it would answer the purpose?

Mr. McMAHON. You forget that it was a contingent arrangement; a little paid in hand and the bulk when the job was finished.

The CHAIRMAN. Is that the way you did?

The WITNESS. That is about the way.

By Mr. CANNON:

Q. Who was chairman of the Post-Office Committee at that time?—A. I do not really remember. I was not before the committee, and I forget.

Q. It was General Farnsworth, of Illinois, was it not?—A. Yes, sir, I think it was. I want to have you understand that I do not have the remotest idea, nor ever had, that the committee had any purpose at all in this matter except to do their duty. There could not anybody fool me in that way. I had people come to me and say that they owned this man and that man; but I always judged of that for myself.

By Mr. CANNON:

Q. I only want to get clearly distinguished the two investigations.—A. O, yes; there were two investigations. This was the first investigation.

By Mr. McMAHON:

Q. The employment you refer to that Colonel McKibben got was that after the conclusion of this investigation, when he became employed as your regular business attorney in California for all your stage-business?—A. Yes, sir.

Q. Which was a pretty big thing?—A. Yes, sir.

By Mr. CANNON:

Q. Was it understood during this investigation that he should be so employed?—A. I think there was no understanding of that kind during the investigation, but he became employed by us and has been in our employment since, and is to-day.

Q. Where is he now?—A. I think he is at his brother's in Philadelphia. His brother keeps the Girard House.

WASHINGTON, *March 20, 1876.*

BRADLEY BARLOW recalled and further examined.

By the CHAIRMAN:

Question. You have book-keepers and books here at your general headquarters, have you?—Answer. None at all; we have no office to keep books here. I make a quarterly statement of the money that comes into my hands and what I expend each quarter, and that goes on the books there. The books at our headquarters (now at Pueblo) will show all the money that I received and all that I disburse.

Q. You say you keep no books here; do not you keep agents or men in your employ here all the time?—A. I have nobody in my employ except attorneys.

Q. Who are they?—A. Nathaniel Wilson is one, George Earle is another. I have occasionally employed other parties as attorneys.

Q. How long have you had those men employed?—A. I should think four or five years, perhaps not so long.

Q. Who was your first attorney?—A. I think that Thomas Hood has been longest in my employ. I did not think of mentioning him.

By Mr. MCMAHON:

Q. Are these persons living in Washington?—A. Yes, sir.

Q. You have had all three of them at one time?—A. Well, sir, occasionally. I don't know that Mr. Hood considers himself in my employ at this time. I do not consider it so.

Q. At what time did you first employ Mr. Hood?—A. I think it was during the war; I could not state the time exactly.

Q. How far back does Mr. Wilson's employment date?—A. I guess five years back.

Q. Then his employment would date back to 1870 or 1871?—A. Very near that; I could not state the precise time.

Q. At what time did you employ Earle first?—A. I could not state that exactly, but I should think it was about five years ago.

Q. How long has he been a practicing attorney in the city, do you know?—A. He has been a practicing attorney here ever since he went out of the Post-Office Department.

Q. At what time did he go out of the Post-Office Department?—A. I could not state the time he went out, but my employment of him was after he went out.

Q. How soon after?—A. Not a good while. I speak of this only from recollection; it was not long.

Q. What annual compensation did you pay Mr. Hood?—A. I did not pay him an annual compensation.

Q. Did you pay him by the case?—A. No sir; I did not. I paid him a good deal more; it resulted in his getting a good deal more money out of me, one way and another, than was a fair compensation for his services; I mean I paid him more than I ever expected—at least he got more money out of me; in other words, I mean that he owes me. He got more money than I ever thought he was entitled to, or than he ever thought he was, I guess.

Q. And his employment expired some time ago?—A. Well, he has always professed to be ready and willing to render me any service, and if I should call upon him now I should not think I would be indebted to him at all.

Q. What kind of cases was he employed in as attorney?—A. It would be pretty difficult to tell what kind of service it was.

Q. We want to know if it was connected with the Post-Office Department.—A. Yes, sir; it was connected with my business in the Department.

Q. Can you give us some idea of the cases that were managed by him for you?—A. Well, there never has been a time since I have been doing mail-service for the Government but what there has been all the while some controversy up about it. When we got our first contracts for the Santa Fé road there was a continual controversy about that.

Q. Do your books show how much you have paid him?—A. No, sir; they will not.

Q. Why would not that appear on the books?—A. As I told you, I have not kept any books myself.

Q. But you had to render an account?—A. Yes, sir; an account of the amount that I paid out in gross. I think sometimes it may not be specified; but I was not very particular about it, because our relations, Sanderson's and mine, were always of such confidence that he did not require anything of the kind.

Q. Was the employment of Mr. Hood, for instance, entirely as an attorney, or did you employ him for any other things that he did outside of his mere legal ability?—A. I could hardly answer whether it was any influence he had; perhaps so; I supposed it likely that he would be of service to me in my business, or I should not have employed him.

Q. But did you think he would be of service as an attorney simply, or on account of his influence with any one that you had to deal with in the Department?—A. I thought he would probably have more influence with the Department than I would myself. At that time I was pretty new here and did not know much about it. Sanderson and myself commenced our service by the purchase of some routes in Missouri, from Sedalia to Independence.

Q. Have you any idea of the aggregate compensation that you paid him?—A. No, sir. It was pretty large.

Q. Can you approximate it?—A. No, sir; I don't think I could. It was pretty large. He got a good deal of money out of me.

By Mr. McMAHON:

Q. Fifty thousand dollars?—A. No, sir; I think not.

By the CHAIRMAN:

Q. How much less than that?—A. Well, he got quite a large sum in the course of the time that he was employed.

By Mr. LUTTRELL:

Q. As much as \$25,000?—A. I should think so; I never took any pains to keep an account of this.

By the CHAIRMAN:

Q. Was it as much as \$30,000?—A. I don't know; I cannot remember; I kept no account of it, and the most of it was paid a good many years ago.

By Mr. McMAHON:

Q. Have you paid anything in the last five years?—A. Yes, sir; I have.

Q. How much?—A. I don't remember how much I did pay him, but I paid him for his services during that investigation I spoke of here. He is one that I did not think of the other day when you asked me about it.

Q. That was separate, however, from the money you paid to Farrar?—A. Yes, sir; separate entirely.

By the CHAIRMAN:

Q. How much money did you pay him during the investigation?—A. I cannot state.

Q. Approximate it.—A. Several hundred dollars.

Q. Was it several thousand?—A. No, sir; it was not.

By Mr. McMAHON:

Q. Is that the only employment of the kind that he has had from you in the last five years?—A. Well, I have consulted him frequently. He is a man that is pretty well posted about what is going on, and I used to consult him.

By the CHAIRMAN:

Q. What service did you pay him for in the investigation—what service did he render?—A. I don't know as he rendered any service. He got some money. I don't know as anybody rendered any service.

Q. He got some money. I should suppose that he had rendered service then?—A. Well, these payments, a good many of them—I don't wish to characterize them.

Q. What do you mean by that? That you don't wish to name the parties?—A. No sir; not that. I don't wish to characterize them, because I think a good deal of that money I paid out there was no service at all rendered for it.

Q. Why do you think that?—A. Because these men that are about Washington, a great many of them, pretend to be able to render service, and to do things and to prevent things being done. They claim that they have influence which they don't possess, and they threaten that they will make mischief if you don't give them some money; you are afraid of them, in fact.

Q. I understood you to say on Saturday that those payments answered your purpose.—A. It was a good deal like scattering seed. I think the amount of money that I paid out on the whole accomplished the object I had in view. It was not anything wrong, as I know of.

Q. Have you any idea of the amount of money that you paid Mr. Nathaniel Wilson,

your other attorney from 1870 down?—A. I never paid him a great deal of money. He is not in that business.

Q. Did you pay him any money in reference to this service that you speak of?—A. He charges me for the service he has rendered; his books, if you call him, would probably show. I don't know what his services have been. His charges are no more than is fair.

Q. He is your legal adviser?—A. Yes, sir.

Q. Not your influential man?—A. No, sir; he does not pretend to anything of that kind.

Q. How much money did you pay to Mr. George Earle?—A. Several thousand dollars in the course of the time he was employed.

Q. What did you employ him for?—A. He looked after my interests in the Post-Office Department. As I told you, there has been a continual war upon myself and the service, and upon the Post-Office Department about it, and I employed him, as much as anything, to aid me: it was necessary to protect myself from the attacks that were made upon my service.

Q. To protect you where?—A. In the Post-Office Department; that is, to see that I was not unjustly used, so far as he could.

By Mr. McMAHON:

Q. What position did he hold in the Post-Office Department?—A. He was, I think, First Assistant Postmaster-General, the officer who has control of appointments.

Q. At what salary?—A. I think the salary is \$3,500 or \$4,500.

Q. How long did he keep that place?—A. Not very long; a year or two.

Q. He had no practice as a lawyer, had he?—A. I don't know anything about that.

Q. He was quite a young man, was he not?—A. No, sir; he is not a young man. He was the law-partner of Mr. Creswell before he came here. I never had a particle of business with the young Mr. Earle, and never spoke to him except to pass the day with him.

By the CHAIRMAN:

Q. You say you cannot remember the amount you paid Mr. Earle; did you pay him an annual compensation?—A. No, sir; I did not.

Q. By the case?—A. No, sir.

Q. How did you pay him?—A. I handed him \$100 or \$500, as I was a mind to, at any time when I was a mind to. I guess I paid him pretty liberally for all he did. I will say in this connection that after the Chorpensing claim came up in Congress Mr. Earle told me that Mr. Creswell had requested him not to practice any more before the Department, and that he did not desire to do my business any further, but at the same time he said he would render me any assistance that he could.

Q. Did you pay him money after that?—A. Yes, sir, I did; I have kept him in my employ, and have advised with him generally about my business.

Q. Did you pay him any money in regard to this investigation that you spoke of in which you paid Mr. Farrar?—A. No, sir; not of that nature.

Q. How much money did you pay Mr. Earle at any one time, either for his own use or general purposes?—A. I think I never paid him more than \$1,000 at any one time.

Q. Did you ever pay him any money to give to any one else?—A. No, sir.

Q. You never paid any money to Mr. Earle to hand to anybody else, as you did to Mr. Farrar?—A. No, sir; I never did.

Q. You never employed him as a middle-man between you and anybody else?—A. No, sir; I never did.

Q. Did you ever employ Mr. Hood in that way?—A. I never did.

Q. Never paid him any money to be paid to anybody else?—A. Well, I don't know but I might have done so with Mr. Hood. It is a long time ago if I did. I could not say that I never did; but I cannot remember about it.

Q. Did you ever pay any to Mr. Wilson?—A. I do not think I ever did. To say that I never paid him any to pay to anybody else is a pretty sweeping assertion, because he is doing business for me, collecting notes and attending to other business for me aside from the Post-Office Department.

Q. My question is, whether you ever gave either of those attorneys any money to pay to any one else in the Department or in Congress, to assist you in any way in your mail-contracts or to effect any object connected with the carrying out your mail-contracts?—A. No, sir; I never did.

Q. To neither one of them?—A. Neither one of them.

Q. What other persons than those you have mentioned did you pay money to for the purpose of effecting your purposes as a mail-contractor?—A. I don't now recollect any one. I have paid out a good deal of money here, one way and another, and a good deal of it, I was satisfied afterward, was perfectly useless to me.

Q. To persons other than you have mentioned?—A. No, I don't say that. I don't remember. I have paid out a good deal of money here—it might be called payments;

people would borrow money of me, people that I would rather have their good-will than their ill-will, and I never made any account of it.

Q. Who borrowed money of you to a considerable amount?—A. I cannot give you any examples of any large amounts.

By Mr. McMAHON:

Q. Give us the example without reference to the amount.—A. I don't think of any one now, but there were such things.

Q. I do not see how you can remember the circumstances without remembering somebody's name connected with it.—A. Well, I say there was never any considerable amount.

Q. But the point I make is that I do not see how you can remember the circumstance of lending money, and to a person whose good-will you preferred to his ill-will, without being able to remember the person's name. It is not a question of amounts; what we want is persons.—A. I do not recall one just now.

By Mr. LUTTRELL:

Q. Do you swear now that you do not remember the names of any person or persons to whom you loaned money?—A. There were not any considerable amounts.

Q. That is not the question; will you swear positively that you do not now remember the name of any person or persons to whom you loaned, or caused to be loaned, money; persons whose good-will you preferred to their ill-will?—A. I can remember one man, but in that case I should hardly say that was the motive. I have loaned money to people that I don't know as I cared for their good-will or their ill-will, that I do not now remember; but I won't swear that I can't recollect anybody that I have loaned any money to in that way.

Q. If you recollect the name of any one, please state the name.—A. I don't recollect the name of any one that occurs to me now, except Colonel Reeside, a small amount; but I would not say in an offensive way that I loaned him that money for that reason—I loaned it to him because he asked me for it; he is an old mail-contractor and a clever fellow. I would not like to couple the matter with that expression.

Q. What did you loan it to him for?—A. Because he asked me for it.

By Mr. McMAHON:

Q. He is broken down pecuniarily, is he?—A. I suppose so; I suppose he has not much means.

By the CHAIRMAN:

Q. Can you not remember any other person?—A. I do not know as I can.

Q. Did you ever give any man in the city of Washington, or any agent elsewhere, an interest or a per cent in any of your contracts for the purpose of representing you in any of the Departments here, or in any other way, in reference to your mail-contracts?—A. No, sir; I don't think I ever did.

Q. Did you ever have any agents here, who were not these attorneys that you speak of, to whom you paid money for the purpose of expediting your business here in the Post-Office Department?—A. I don't think I have to anybody such as those that I named.

Q. Did you ever make any presents?—A. O, now, since it occurs to me, I have let Gen. Morgan L. Smith have money; he was the brother of Mr. Giles A. Smith.

Q. Is he dead?—A. Yes, sir, he is.

Q. How much money did you pay him?—A. I do not know whether you call it payments or not. I never called it payments at all.

Q. What did you give him?—A. I could not tell you how much I did give him; I gave him money, loaned it or gave it to him—it is all the same thing—when he asked me for it; not at regular times, but when he wanted it.

Q. What did he want it for?—A. I suppose he wanted it to pay his expenses; he was a pretty expensive man.

Q. Can you not remember the amounts?—A. I let him have a considerable amount at one time and another.

Q. What do you call "considerable"?—A. I don't know; I don't know how much I did let him have.

By Mr. LUTTRELL:

Q. As much as \$50,000?—A. I should think not.

By the CHAIRMAN:

Q. Are you certain of it?—A. O, yes, sir; I am very certain.

By Mr. LUTTRELL:

Q. As much as \$30,000?—A. I should think not; nor \$20,000. I let him have considerable one time and another; I don't know how much.

By the CHAIRMAN:

Q. What was the object in letting him have that money?—A. Well, I don't think there was much object in it, any way; I never thought there was.

By Mr. McMAHON:

Q. You gave it to him whenever he wanted it?—A. Yes, sir.

By the CHAIRMAN:

Q. At the time you gave it to him who was Second Assistant Postmaster-General?—A. His brother was; but I never thought that it had a particle of influence; I never gave it to him to influence his brother, and never thought that it did influence him in any other way than that he would think I was a clever fellow; that is all.

Q. Did you ever use any money for the purpose of influencing Mr. Giles A. Smith?—A. No, sir, I never did, unless you consider that so; I never gave him a dollar in my life.

By Mr. McMAHON:

Q. That is, personally?—A. Yes, sir; and I never gave any that I supposed was given to him, either.

By the CHAIRMAN:

Q. You never gave him any?—A. I never gave any money to anybody to influence him; never required any—all I wanted of Mr. Giles A. Smith or any other official in the Post-Office Department was to do their duty in reference to me, and no more.

Q. Did Mr. Giles A. Smith have any interest in your contracts?—A. No, sir, he did not.

Q. He never has had any interest?—A. No, sir.

Q. Before nor since?—A. Before nor since. I would say right here that all my transactions with the Post Office Department are matter of record. I believe that you would find upon examination of the records that I did not have anything done that I need wish—

Q. Was this transaction of Mr. Farrar a matter of record?—A. My transactions with the Department are matter of record there.

Q. Did you ever pay any money to Mr. A. H. Brown?—A. No, sir, I never did.

Q. Did you ever make him any presents?—A. No, sir, I never did.

Q. Did he ever borrow any money from you?—A. No, sir; I borrowed money of him.

Q. When did you borrow it from him?—A. A good while ago.

Q. While he was a clerk in the contract department?—A. Yes, sir.

Q. How much did you borrow from him?—A. I don't remember now, but I borrowed several sums of money from him at different times. I have been short of money a good many times myself and glad to borrow money of anyone that had it. I have borrowed money of Mr. Haslett, too. There is another dead man I felt at liberty to go and borrow money of; he had a little money.

Q. Who was he?—A. Chief pay-clerk in the Post-Office Department.

Q. How long has he been dead?—A. Several years. I felt at liberty to borrow of him because I went on his official bond.

Q. Did he ever borrow money of you?—A. No, sir, he never did. I never paid him a cent of money.

Q. How much did you borrow of Mr. Brown?—A. I don't know; I borrowed as much as \$1,000 of him.

Q. While he was a clerk in the office?—A. Yes, sir.

Q. Was he a man of wealth?—A. He has some property, I suppose.

Q. Did he then have?—A. Yes, sir; he had the money, any way.

Q. What office did he hold in the Department?—A. A sixteen-hundred-dollar or eighteen-hundred-dollar clerkship.

By Mr. McMAHON:

Q. Did you pay that \$1,000 back in money?—A. Certainly.

By the CHAIRMAN:

Q. What interest did you pay him?—A. I guess I paid him 8 or 10 per cent.

Q. You guess?—A. Yes, sir; I know I did.

Q. Did you give him your note for it?—A. Yes, sir.

Q. Did Brown keep a pair of horses at that time?—A. Yes, sir.

Q. Do you know where he got those horses?—A. He told me that his brother gave him one and that he got the mate for him. I used to laugh at him. He thought he had a fine pair of horses, but he did not know as much about horses as I do. They were not worth much. I believe he sold them at last for a couple of hundred dollars.

Q. You say he told you; you do not know about it yourself?—A. I do not know anything about it.

Q. Do you say you never made him a present?—A. I never made him a present of any kind.

Q. Did you ever make a present to any one else for him?—A. No, sir.

Q. Did you ever make a present to any one here for the purpose of expediting your business as mail-contractor?—A. No, sir; I do not think I have.

Q. Never?—A. I have no recollection of anything of the kind.

Q. Did any of your firm ever make any presents for the purpose of expediting your business?—A. Not to my knowledge.

Q. Did they ever tell you that they did?—A. I do not think they did. Whom do you speak of—Sanderson?

Q. Any members of your firm.—A. I do not think they ever did. I never understood that they did.

Q. You speak of having made settlements with your partners for money you paid out here; in those settlements did they present an account, any money that they had paid out for the purpose of influencing matters at the Department?—A. No, sir; they never did.

Q. Going back to these attorneys, what was the character of the business that they did for you?—A. I do not think they did a great deal of business for me; I do not think it amounted to anything. That is to say, all that I wanted was to be let alone. I got so that I could do my business myself.

Q. You paid them, then, to get other people to let you alone?—A. Well, other people were not letting me alone. As I said, from the time I commenced business in the Post-Office Department I have not been let alone; I have been constantly assailed.

Q. By whom?—A. By the newspapers and by individuals here, and I suppose it all emanated from here.

Q. Did you expect them to stop the newspapers from assailing you?—A. I do not know whether they did or not. I think the newspaper talk, a good deal of it, was prompted by people here. That is a matter of opinion.

By Mr. McMAHON:

Q. Did any other investigation besides that of 1872 give you any annoyance or trouble?—A. Not very much. I made up my mind I would not do it. The last investigation I employed Judge Black and Judge Paschal as attorneys, and I gave each one of them a retainer, \$1,000.

By the CHAIRMAN:

Q. You remember the amounts in both those cases?—A. That was a single separate transaction, and it was for strictly legal business. I advised with them as counsel.

Q. Am I to understand, then, that the amounts you paid these other attorneys were not for legal business?—A. I think practice before the Departments is entirely a distinct thing from professional business. Mr. Wilson, for instance, never did anything for me but strictly professional business as a lawyer; nor Judge Black nor Mr. Paschal.

Q. Who were the attorneys that did business that was not strictly legal?—A. So far as that was concerned, Mr. Earl was counsel for me to aid me in my matters when I called on him; also as general legal adviser. I counseled with him about all my business, in reference to my legal rights and liabilities as a contractor, and, in fact, I found him a very good, sensible man. I could not afford to employ Judge Black a great while.

Q. You remembered this morning the name of Hood in connection with the money you paid out in that investigation in which you paid Mr. Farrar; who else do you remember?—A. I don't recollect anybody else. I have not thought of it since with reference to remembering anybody else.

By Mr. McMAHON:

Q. Was Mr. Sanderson here at some time with reference to that investigation?—A. I do not remember that he was; I do not think he was.

By the CHAIRMAN:

Q. Was Mr. Huntley here?—A. Yes, sir; he was.

Q. Did you charge any of that amount that you paid up to your firm of Barlow, Sanderson & Company?—A. Yes, sir.

By Mr. AINSWORTH:

Q. This money paid to Mr. Hood was not in connection with the money paid to Mr. Farrar?—A. No, sir; it was not. It was at the same time.

By Mr. McMAHON:

Q. I understood you to say that Mr. Farrar was working this thing up against you.—A. Yes, sir.

Q. He was regularly employed by those old contractors, was he not?—A. I do not know whether he was or not. My first acquaintance with him was at that time.

Q. Were not Mr. Williams, who was afterward Attorney-General, and Mr. McKib-

bin, and Mr. Farrar all employed together to set your contracts aside?—A. I do not know whether they were or not. There were a good many stories told me.

Q. Did not you understand at that time that Mr. Williams and McKibbin and Mr. Farrar were employed for that purpose?—A. No, I do not understand that Mr. Williams was.

Q. By whom was he employed? He was employed by somebody to go and see the Attorney-General, because he so testified, I think.—A. I think at this time Mr. Williams was Attorney-General.

Q. When you paid this money, in 1872?—A. I think so. Mr. Farrar was formerly a law-partner of Mr. Williams when they were in Oregon. My impression is that at this time Mr. Williams was Attorney-General, and I do not think that I ever heard that he was employed with them.

Q. Prior to that time, when Mr. Ackerman was Attorney-General, he went to get Ackerman to reverse his opinion on the question of scaling up the bids?—A. Yes, sir.

Q. That had no connection with that matter?—A. None whatever, sir.

Q. Mr. Farrar had been his law-partner in Oregon?—A. Yes, sir; it was so represented to me. In short, it was represented to me that there was a very formidable combination to break up our contracts if they possibly could, and as we had paid out for stock on these roads more than \$350,000, on the Oroville and Portland and other routes, we were pretty anxious not to be disturbed; I would rather pay some blood-money than to have any trouble. That is about the English of it.

By the CHAIRMAN:

Q. Did you ever have a mail-contract from San Francisco to San Diego, or down in that direction?—A. No, sir; I never did.

Q. Did you ever pay any money to any of those contractors to get out of your way?—A. For their bids?

Q. Yes, sir.—A. Yes, sir; I have.

By Mr. McMAHON:

Q. Or to file a withdrawal?—A. I have purchased of parties who were bidders their option to accept or reject the bids. Whatever rights they had I have purchased, and paid them money for them.

By the CHAIRMAN:

Q. In other words, you would pay them to withdraw?—A. You may call it what you like; I state the facts.

Q. And they would withdraw?—A. Yes, sir; in some cases. In some cases they did not. I will state we are using our stock in operating the roads in almost every case on routes where I have purchased other bids. In all cases on the bid of some other party.

Q. Please name the routes where you secured the withdrawal of bids by payment of money.—A. I think in almost every instance we are operating routes on the bids of other parties.

Q. Name the parties to whom you paid the money.—A. I paid money to Governor Thompson, of Idaho.

Q. What for?—A. I paid him \$15,000 for all the bids that he had.

Q. At what letting was that?—A. The last letting.

Q. What routes were they on?—A. I cannot tell you because I bought all he had, I think.

Q. What was the consideration? Did he give you any paper?—A. I think there is but one that we are operating in his name; the others were in some other parties' names.

Q. Were the contracts awarded to him?—A. No, sir; that one was awarded to him. There may be two or three.

Q. The others were not awarded to him?—A. No, sir.

Q. You did not pay him for the contract, then, because he did not get it?—A. No, sir; I paid him for his chance on those bids, but they did not turn out as well as I expected.

Q. Did you not require him to withdraw his bid in a certain contingency?—A. He gave me control of it.

Q. Did not you withdraw the bid then?—A. I did in some cases.

Q. What did you withdraw it for?—A. Because we did not want to take it at that bid.

Q. You wanted to go higher?—A. You may call it what you please. I did not want it at that bid.

Q. Did you get it at a higher rate?—A. I think in one case we did: the Kelton and Dalles route.

Q. You did not purchase that from Mr. Thompson?—A. I purchased all his bids.

Q. Did you not purchase the Kelton and Dalles route from anybody else?—A. This

was the last letting. The bid was a stock-company bid, he being the president. His bid was \$123,000, or thereabouts, and we are performing the service at \$133,700.

Q. What was the amount of your service on that route when you held it before?—A. It was \$229,000 four years before.

Q. From whom else did you purchase?—A. I don't recollect now anybody else.

Q. There is no other contract that you hold which you purchased at bids lower than the contract-price you are getting now?—A. I don't recollect any other now.

Q. Going back to the previous letting, do you remember any?—A. I think I purchased that in the same way at the other letting. I think I had a right to; but if I have done wrong I will take the consequences of it. I am not going to deny anything I have done.

Q. Whom did you purchase from before on that route?—A. I did not purchase any bid on that route before. We were not bidders on that route at all. We bought it.

Q. Did you never pay any one from Kelton to The Dalles an amount of money for their bid on that route prior to that time?—A. No, sir—well, I could not say whether I did or not.

Q. Or pay any man any money not to bid?—A. I never paid any man anything not to bid in my life.

Q. What did you pay money on that route to Major Barrow for?—A. I don't remember about that at all, but I shall not dispute it if anybody says I did.

Q. I will refresh your memory. Were you at any time in one room in the house in this city and Major Barrow in another, when a man of the name of Reuben Middleton passed as a middleman between you and Mr. Barrow, and when you paid some money?—A. I think very likely I did.

Q. Do you not know it?—A. I don't remember now. I have paid Reuben Middleton money.

Q. Did not you pay it to go to Mr. Barrow?—A. I do not know but I did.

Q. Do not you know it?—A. Well, I don't remember about it, but I shall not dispute it.

Q. Are there any other parties that you paid money to, if you do not remember that case?—A. I don't remember any of them. I do not deny but what I have paid money to parties for their bids.

Q. Do you deny that the object of the purchase of that bid was to hold the bid so that you could get a higher price for the transportation of the mails on those routes?—A. I purchased bids in such cases to accept on them if I wanted to.

By Mr. McMAHON:

Q. It would depend upon where your bid was in the scale whether you would take that bid or withdraw it?—A. I was not a bidder on those routes at all, and if I bought—

Q. If you were buying some of those routes you would then sell out yourself?—A. I never sold out to anybody.

Q. I mean a bid that you had purchased, not one that you had made.—A. As a matter of fact I have no recollection of any such case; but in the course of twelve or fifteen years of pretty numerous transactions, having also a good deal of other business to do, I do not keep these things in my recollection.

By the CHAIRMAN:

Q. Did you ever propose to sell out your route in Southern California for a certain amount?—A. I presume I did; I have no recollection about it.

Q. Who were the parties?—A. I have no recollection. We oftentimes talked about trading. I got a letter this morning—

Q. Did you ever make the proposal to sell that route for \$50,000, and that a certain man, George Earle, was to be employed as attorney for that route at \$10,000?—A. What route do you mean? I never had any interest in any route there except that from Mesilla to Los Angeles, nine hundred miles.

Q. Did you ever make any proposal of that kind?—A. I do not think I did.

Q. Did you on any other of your routes there?—A. We have no other routes there.

Q. Did you ever make a proposal to sell out any of your routes, you to get \$50,000 and \$10,000 to go to Mr. Earle as an attorney?—A. I should say that, according to my best recollection, I never did.

Q. What was your original bid on that route from Mesilla to Los Angeles?—A. I do not remember, sir.

Q. How long after you got that route did you get the service increased?—A. I should think, pretty soon after that. The history of that route is this: It was three times a week. Mr. Creswell came in pretty near the close of the contract, with the idea of cutting down the service, and it was reduced so that they issued proposals for once or twice a week service, and it was let, I think, at twice a week, but was very soon changed back to three times a week.

Q. It was advertised for once a week, with proposals invited for twice a week?—A. Yes, sir.

Q. There was another person in California who bid for once a week at \$49,400?—A. I presume so. I do not know; I cannot speak from recollection.

Q. You remember Mr. Seeley?—A. Yes, sir, I know of him; I do not know that I ever saw him.

Q. He was a contractor, was he not?—A. Yes, sir; he lived at San Diego, I think.

Q. He bid for once a week service \$49,400. Now, to put on service twice a week would have made his bid \$99,000, would it not?—A. Yes, sir.

Q. The contract was awarded to you at how much?—I don't remember.

Q. In the first place, did you buy him out?—A. I could not state. He was afterward a subcontractor on part of our route, the same route.

Q. The contract was awarded to somebody who failed?—A. Yes, sir.

Q. J. W. Cullen, was it not?—A. I don't remember.

Q. Was he one of your bidders?—A. No, sir.

Q. He failed to put in an appearance?—A. Yes, sir.

Q. Then you took temporary service?—A. Yes, sir.

Q. When you got the contract, was it under a new letting; or a direct contract with the Post-Office Department?—A. The contract was awarded to somebody's bid; I do not now remember whose.

Q. Was it not awarded to you directly?—A. I think not.

Q. Was it not awarded to somebody who was to go into partnership with you and Sanderson?—A. I don't know. I do not think it was. I do not remember whose name it was awarded in.

Q. Thomas Hood was the name of your attorney?—A. Yes, sir.

Q. He was the one to whom Seeley made a power of attorney?—A. Yes, sir.

Q. There had been an attorney by the name of Ware representing Mr. Seeley?—A. I think there was.

Q. Joseph A. Ware filed a memorial on the 19th of April, 1871. He was here contending for Seeley?—A. I think he was.

Q. And offering to do the service for \$80,000?—A. I do not remember.

Q. Did he not make an offer to do it for \$80,000?—A. I don't know what his offer was. The papers will show.

Q. The Seeley bid was gotten out of the way, and the contract was awarded to Mr. Barnum at \$124,000; Cullen was the lowest bidder; Barnum had a bid in at \$29,000 and \$52,000. Was that the same man, Louis Barnum?—A. I think not.

Q. What relation was Louis Barnum to the other Barnum?—A. His brother.

Q. Mr. Lockwood had in two bids there—\$57,000 for daily service and one at \$95,000?—A. I don't remember anything about it.

Q. Did you get him to withdraw?—A. I think not.

Q. L. S. Barlow—is that yourself?—A. No, sir; that is my daughter.

Q. She had a bid in for \$59,000 once a week, and \$112,000 twice a week?—A. Yes, sir.

Q. That is one of the bids that you control?—A. I could control it if I wished.

Q. You did control it, did you not? There was a circular sent to your daughter which was sent to you as her attorney, was there not?—A. I presume there was; there was a circular sent to everybody.

Q. There was a circular sent to you, to which you made no reply as her attorney?—A. I presume so.

Q. That was a *bona fide* offer in her name, was it?—A. I presume so.

Q. Mr. Barnum's was \$65,000 once a week, and his was accepted on the 15th of August, 1870, at \$124,000—T. J. Barnum?—A. Yes, sir.

Q. What arrangement did you make with Barnum?—A. He has an interest in the service.

Q. Was he a contractor?—A. The contract was made in his name.

Q. Was he a contractor at the time, one who had stock, and whose business it was to carry passengers and mails and express?—A. Well, he was interested with us.

Q. But was he before he became interested with you?—A. The contracts that we had at first out there were in Tom Barnum's name.

Q. In his name?—A. Yes, sir; and he was interested. He was interested with us for, I think, eight years.

Q. He is a member of what firm?—A. It was Barlow, Sanderson & Co. at that time.

Q. What was his interest?—A. One-sixth.

Q. Did he have any interest in the stock?—A. Yes, sir.

Q. And in the property?—A. Yes, sir.

Q. He is a man of means, then?—A. Yes, sir.

Q. An order was made at \$124,000; that contract was made for the full term, was it not?—A. Yes, sir.

Q. At \$124,000 per annum?—A. Yes, sir.

Q. How did he get the compensation increased to \$214,500?—A. An additional trip was ordered.

Q. How soon?—A. Pretty soon, I think; I think it was ordered so that it began immediately upon the performance of the contract.

Q. It was ordered December 14, 1870, \$88,000; that is the additional trip?—A. I presume so.

Q. Who procured that increase of service for you at \$88,000?—A. I think the parties in interest; the inhabitants, through their representatives.

Q. I mean at the Department, who actively presented your case for you?—A. I did it myself, so far as it required me to do anything about it. I presume you will find some papers on file.

Q. Yes, the recommendations are here.—A. It was on those recommendations it was done. It was simply putting the service back where it was before, as I said. Mr. Creswell came in with the idea of reducing the amount of mail-service, and he found such a clamor raised that he could not do it.

Q. You did not have any one to assist you in that matter, neither Earl nor Hood?—A. I do not think I required any assistance from any of them. It was one of those things that would regulate itself, pretty much.

Q. This was not one of the things that you were afraid of in that investigation of 1872, was it? Were you not afraid that this San Diego and Mesilla mail-route would be disturbed by that committee, as well as others?—A. I did not want to have any of them disturbed, as a matter of course.

Q. What was there in this that you were afraid would be disturbed?—A. I do not know that I was afraid of anything being disturbed. I was not afraid that the service would be disturbed.

Q. You probably did not want the manner in which you had got that contract at that price investigated—the combination of those men—in order to make the Government pay more for it?—A. There was not any combination about it any way.

Q. A great many bids were withdrawn. How are those things done?—A. I cannot tell you how they are done. That is "one of the things no fellow can find out." Perhaps you can.

Q. Is that one of the secrets of straw-bidding?—A. I will explain that the straw-bidding does not originate with the contractors.

Q. You mean that the responsible men would have to resort to means to protect themselves?—A. No, sir; but they are made the victims of this system of straw-bidding. The law is better now than it was; and I saw a statement of the committee bill, which I think will be a still further improvement. It will prevent this system of straw-bidding.

Q. What was the bid on the Loser route?—A. We were the only bidders on it the first time. The service then was only to Tausen. It was afterward the service was ordered on the whole route, and it was finally increased to three times a week. Ours was the only bid on the route at that time. The next time there were sixty or seventy. We had gone on there and put stock on, and gone through difficulties in establishing the route there. I think we had on that route in thirteen months over forty men killed. We had gone through with this, and then these parties came on and thought there was money and wanted it. That is about all there is of it. I have never thought it was my business to take care of this Government-service side of the question.

Q. Did you take any interest in the amendment of the law of which you have spoken?—A. I was in favor of it.

Q. Did you assist in having that law passed?—A. I do not think I did.

Q. Did you not know that law was to be proposed?—A. I do not know that I did.

Q. After it was introduced, did you assist in having it passed?—A. I do not think I did. It did not need much assistance. If I was asked at all about it, I said it was good. I think I told some member of the committee that if they would make it instant death if a man did not perform his bid I would be perfectly satisfied with it.

Q. What member of the committee was that?—A. I do not remember.

Q. Is it not a fact that you took some interest in having that bill passed?—A. I think very likely I did.

Q. What persons did you have to assist you in that matter—to represent that that would be a good law?—A. I do not remember that I had anybody.

Q. Did you have attorneys?—A. I do not think I did. I do not remember. It does not occur to me that I did; I may have done so; I would not be positive.

Q. To come back to this matter about the payment of money to Farrar where were those interviews between you and Mr. Farrar held?—A. Generally at his office; sometimes at his hotel.

Q. Who was present at any of those interviews?—A. I cannot tell you who were present.

Q. Were other parties present besides Farrar and you?—A. I do not know; I do not recollect; I should say generally there was no one present.

Q. Mr. Sawyer was investigated in 1872?—A. He was.

Q. How much did he pay?—A. Nothing at all that I know of.

Q. You had conversations with him?—A. Yes, sir.

Q. How much did it cost him?—A. He never told me.

Q. You know he had advanced money?—A. No, sir.

Q. After talking with him did not you know it?—A. No, sir; he told me that in the subsequent lettings those parties bled most tremendously and he asked my advice about Lockwood; what I thought of him. I told him I thought he was a very good man. Sawyer afterward told me that he made an arrangement with those parties by which he really received the money himself. They came on here and claimed all the money that Farrar had obtained and went to Sawyer to ascertain the facts, and he said to Mr. Lockwood—

Q. That is the money Farrar had obtained from Sawyer?—A. Yes, sir.

Q. How much; do you know?—A. I do not.

Q. Was McKibbin your attorney during the investigation or afterward?—A. Afterward.

Q. Had you any conversation with him during the investigation as to employing him when the thing was over?—A. I do not recollect.

Q. I do not ask whether there was any distinct understanding.—A. I do not think it was talked of with McKibbin.

Q. I want to get at what you said.—A. I think that I stated that McKibbin wrote the minority report. I do not know that I ought to have stated that, for I do not know it, and I am sorry that I stated it.

Q. The minority report claimed that your contract from Oroville to Portland was without authority of law?—A. Yes, sir; it did.

Q. It charged that the Postmaster-General had violated the law in his letting of that contract?—A. Yes, sir.

Q. I understand you to say that he had written the minority report, and the papers said the majority report?—A. I do not think I ought to have said that.

Q. Did you know Mr. Van Trump?—A. No, sir; I did not know any of the committee. I think I have been introduced to Mr. Van Trump, and to all the members of the committee, I guess; but it was one of those introductions that would not allow a man to call himself acquainted afterward.

Q. That is the same committee, is it not, that made the report after the investigation?—A. I have not had the matter in my mind, and I could not answer correctly.

Q. What member of the committee was it you talked with about that five thousand dollar clause?

The WITNESS. That was passed when?

Mr. AINSWORTH. I do not remember. It must have been in 1871 or 1872, I think.

Mr. CANNON. I think it was probably in 1872.

The WITNESS. I do not know that I talked with any one of the committee of 1872. I do not know whether I was acquainted with any of them or not. I did not take much interest in it. The fact of it was that I did not think any of the laws would effect the object entirely. I do not think I ever spoke to one of the committee during the investigation, except to notify the chairman of the committee that if I was wanted for any purpose they might notify me by telegraph and I would come.

By Mr. AINSWORTH:

Q. You were not examined by the committee?—A. No, sir.

Q. Mr. Sanderson was not examined?—A. No, sir.

Q. Your books were not called for?—A. No, sir.

Q. No witness was called that affected you at all?—A. No, sir; Mr. Sawyer was called, I recollect.

Q. But no witness that testified against you or had any interest in your routes, in any shape or form, was examined?—A. No, sir.

Q. That is what you anticipated from the payment of the money; that was your arrangement with Mr. Farrar?—A. I cannot say that there was any definite arrangement about it, but it came out satisfactorily to me. I did not want to go before the committee to testify; but, when the attack was made upon us, I went to the chairman of the committee and stated that if at any time in the course of the investigation they required me they need not send a subpoena for me, but I would come on notice.

Q. They never did notify you?—A. No, sir.

Q. Nor anybody who knew anything at all about your routes, that you know of?—A. They did not seem to drift in that direction at all.

Q. Mr. Sawyer had to stand the fight?—A. Yes, sir.

Q. Was not the committee appointed expressly upon this newspaper report, that was really written by Mr. McKibbin?—A. The thing was done in this way: As I understand, it was not a special committee, but the Post-Office Committee were directed to inquire into these charges. It was directed to investigate the charges made in this article in the Patriot.

Q. And it was published on the 8th of January, 1872. Did it not excite your surprise that the committee was instructed expressly to investigate those routes?—A. No; it did not excite my surprise.

Q. That they never took any testimony in regard to your routes?—A. No, sir; it did

not excite my surprise at all. In the first place, I am not surprised at anything that occurs here in Washington; and in the next place, I knew when the men that started that report here were satisfied.

Q. The committee were ordered to investigate these charges?—A. They did investigate.

Q. What witnesses did they examine in regard to the Oroville and Portland route?—A. There is nothing about that Oroville and Portland route except what is a matter of record. The books of the Department would show everything in connection with it. Extracts were given from the books, and every order was furnished, and Mr. Creswell came here, as I understood, and gave his reasons for everything that was done, and they were satisfactory to the majority of the committee, but not to the minority.

Q. Did not Mr. Giles A. Smith testify that he knew of no authority of law for making the contract with you for the full term?—A. I had forgotten that he was before the committee.

Q. Did not the Attorney-General, at that time Mr. Akerman, give an opinion that that was contrary to law?—A. I do not know about that.

Q. Is not that the fact?—A. I really do not know about that. I had settled the matter so far as I was concerned.

Q. The committee did not report any opinion upon your Oroville and Portland route?—A. I think they did.

Q. What did they say about it?—A. I think they reported all the facts about it. Have you not the report?

Mr. AINSWORTH. Yes.

The WITNESS. That will tell a great deal better than I can. I cannot remember that.

Q. They did give Mr. Creswell a high indorsement, did they not; and the minority said that he had violated the law?—A. Yes, sir; I read the minority report, because I understood Mr. McKibbin wrote it.

Q. You knew what it would be?—A. No; I did not know anything about it.

Q. Why did you not read the majority report?—A. I presume I did read the majority report, but I have forgotten about it.

Q. But you did read the minority report; that you remember distinctly?—A. I read it from curiosity, to see what it was.

By Mr. LUTTRELL:

Q. When did you first read the minority report, before or after it was submitted to Congress?—A. I never read it until after it was printed.

By Mr. AINSWORTH:

Q. What was it induced you to pay so much money if the contract was all right, in your opinion, to prevent the committee of Congress investigating it?—A. I had no objection to the committee investigating everything I had done. I really had not any objection.

Q. Why did you pay over \$40,000 to suppress that investigation?—A. The investigation went on. The reason I paid it was to suppress these devils that were after money.

Q. The investigation went on against somebody else, but not against you?—A. It went on; all those routes were investigated, as I understood. They had session after session, as I understood.

Q. That was substantially a flank movement upon you part, was it not, by which all the testimony was directed against Sawyer?—A. It appeared to satisfy these fellows when they got all the money they wanted out of me; that is all there was of it. All they wanted was to get some money out of somebody. Sawyer would not bleed, and so he had to come up and testify. I did bleed, and did not have to testify; and that is all there was of it. Every resolution-day in the House there would be a resolution introduced, and somebody would object, and it would go over. They did not want to have any resolution introduced.

Q. Who would object?—A. I do not know who would object. I never got anybody to object.

Q. You understood that somebody objected?—A. No; I did not understand anything about it. It was usual. I suppose there is always somebody objecting to these resolutions.

Q. Mr. Farrar understood that, did he not?—A. I do not know. He probably knew there was to be an objection. It ran along for some time before they brought me to terms, and then these articles were published in the Patriot; and they were such a severe, pointed, and direct attack upon Mr. Creswell and the administration of the Post-Office Department that it seemed to be a necessity that there should be an investigation.

Q. Prior to that, however, the thing had gone over under objections?—A. Yes, sir; and, as I suppose now, they expected that they had simply to notify me and I would come down. That is what I think now.

Q. Still you did pay this large sum of money to Farrar without knowing him?—A. I have always been sorry that I paid a cent. In the first place it was disreputable; it does not pay anyway. I am sorry I ever paid a cent, and I do not mean to again.

Q. The question was, why did you pay so large a sum of money to Mr. Farrar, unless you understood the influences that were behind him—the power that he might bring to bear so as to protect you from the committee?—A. I did not want to fight over my business. In the first place, I had not time to do it, and in the next place, it has a bad effect upon the Department to have constant attacks upon the Department. And one can hardly get justice done. I have got heavy claims that I would never think of presenting to Congress, because, if I got them allowed, somebody would say “he stole the money,” and I could not get them allowed unless I paid a lot of hounds that there are hanging about here. They would find some reason to object when the claims were presented. They would tell somebody there was fraud in it. People from Vermont have been so patriotic as to come down here and inform the Postmaster-General that I have been paid large sums of money for destruction by Indians of property that never existed. They tried to get a resolution introduced. They tried to get a member from our district to introduce a resolution; and he said he would do it if they would furnish satisfactory proof. They did not furnish him the proof that he thought was sufficient to justify the introduction of such a resolution; but he told them he would go and talk with the Postmaster-General, and see what there was about it, and he did so.

Q. The question put to you is very simple, but you wander away from it. As a business man of your standing, intelligence, and knowledge of the world, would such a man as you are pay a large amount to a man like Farrar, when you did not know who Farrar was, without some assurances that he represented somebody of power and influence to keep this thing from getting before the committee; and what assurances did you have and from whom?—A. I did not know who was in cahoot with him about it. I supposed possibly some former congressman; there were some men in it who were not so scrupulous but what they would aid in such a matter. I think there have been some men turned out of Congress, and sometimes bad men come into Congress, as they do into church; and it was not impossible that I would have a great deal of trouble with this thing, and I thought it was the cheapest way to settle it.

Q. The question is still unanswered. The question is, what assurance had you that Farrar could put this money where it would do the service?—A. I never paid money until I was satisfied that they had done all that I could reasonably expect. I did not expect that they were going to do anything for me, but I did not want them to annoy and trouble me.

Q. Before you entered into the arrangement which you now regard as disreputable, what influence and representations were made to you by Mr. Farrar, or others, to induce you to make that arrangement with him to pay this sum of money?—A. It is pretty hard to tell all the representations that were made. I was satisfied in my own mind that there was a combination to make me all the trouble they could, and I thought I had better pay them some money.

Q. How was that to affect the committee?—A. I never expected to affect the committee. I never had the remotest idea that it was going to affect the committee. I thought the committee was imposed upon by these men who got up this investigation. I thought it was an imposition upon the committee. These men had raised such a clamor that the committee was bound to notice it, and Congress was bound to notice the talk.

Q. About your routes?—A. About the conduct of Mr. Creswell.

Q. Your routes were particularly clamored about, were they not?—A. Yes, sir. I think Mr. Sawyer's routes were talked of, and Mr. Creswell's conduct generally in reference to the contracts was arraigned very severely.

Q. Did the printed article refer particularly to the Oroville and Portland route?—A. I think it did.

Q. Did it not also refer to the Missoula route, which you were supposed to be interested in?—A. They had no reason to suppose it.

Q. Huntley was in it?—A. Yes, sir.

Q. And he had been interested with you in other matters?—A. No, never at that time. He had never been interested with me in any way.

Q. The Missoula and San Diego route was referred to by name in that article?—A. I have forgotten now; I know it was a bitter attack upon Mr. Creswell's administration.

Q. In connection with your routes and Sawyer's. It mentioned your routes by name?—A. I think very likely, but I have forgotten about that. I think very likely it did, and probably it mentioned the Missoula route.

Q. Did it not excite your surprise that the committee's report referred to none of these routes at all?—A. No, it did not.

Q. Why did it not excite your surprise when they were appointed to investigate these routes?—A. They were appointed to see, I suppose, that every route was inves-

tigated, and every route was thoroughly investigated by the committee, as I was informed. Now, since you speak of it, I remember that Giles A. Smith was here with the Postmaster-General, and they did investigate them thoroughly. I did not desire to suppress the investigation. I was paying this money to suppress these fellows that were after me.

Q. If you had nothing that you were afraid of, why not let the committee see?—A. If anybody felt any interest in it they could come before the committee. I did not invite anybody to stay away, and never tried to get anybody to stay away.

Q. Mr. Farrar did, did he not?—A. I do not know whether he did or not. I do not think that anybody would have come before the committee, or that anybody would have said anything about it.

Q. Is not the sum and substance of it that you made an arrangement with Farrar by which you paid him sums of money from time to time with the understanding that at the close of the investigation he was to have a large sum provided the report of the committee did not affect you?—A. I do not know.

Q. And you do not know to whom Farrar paid that money, and you did not want to know?—A. No; and I do not think he ever paid anybody.

Q. If you have any knowledge, I want the names of the parties; I do not want any supposition.—A. I have not any knowledge. I do not know that he did not pay money, but I never believed he did.

Q. He may have paid it to members of Congress, for all you know?—A. I never thought he did.

Q. Can you say that he did not pay it to members of Congress?—A. No, sir; but I do not believe he did.

Q. I do not want your belief; I want no whitewashing now; we have had that once already. I want facts now.—A. I have none.

By Mr. LUTTRELL:

Q. Did you pay or cause to be paid money to bidders from Redding, California, to Roseburgh during the last letting for bids?—A. Yes, sir, he did.

Q. Do you remember the names of the parties that he mentioned?—A. I think that he paid money to Corbett and to Beakman.

Q. Do you know how much he paid to Corbett and Beakman?—A. I could not state from recollection, but it was quite a sum.

Q. As much as \$20,000?—A. O, no.

Q. Ten thousand dollars?—A. I should think it was \$5,000, but I do not know exactly; I do not remember.

Q. Do you know whether he paid money to any other bidders?—A. I think he paid to Mr. Taggart.

Q. How much?—A. I could not say.

Q. Was it as much as \$5,000 or \$10,000?—A. I should think about \$5,000, or somewhere in that neighborhood.

Q. Did he pay Mr. Blanchard anything?—A. I could not state; I have the impression now that he did.

MONDAY, March 20, 1876.

Continuation of the examination of BRADLEY BARLOW.

By the CHAIRMAN:

Question. In the old lettings or the lettings previous to last ones, inform the committee how many bids you purchased on the different routes and whom you purchased them from; I mean in the 1870 lettings.—Answer. I could not say.

Q. I will call over the routes and then you can perhaps state them. The route from Boise City, Idaho, to Winnemucca.—A. I was not bidder of those routes.

Q. They were in the name of Tuller, Smalley, and Barlow. Who was the bidder?—A. I do not remember who the bidder was, but I was not interested.

Q. How did you become interested in that route?—A. I purchased from the parties who owned the stock on the road: the routes and the contracts.

Q. Did you purchase from Tuller and Smalley?—A. No, the first purchase was made by them—by Tuller, Smalley, and Barlow, of the parties who acquired the contract—the purchase of the routes and the stock; I do not remember in whose name they were. After the purchase and when the contracts were awarded they were made in the name of the purchasers. It is the same with all those routes north of Denver.

Q. Do you remember what time the order was made for four additional trips on that route?—A. No, sir; I do not.

Q. How long after you got the contract?—A. According to my recollection it was about eight or ten months after the contract.

Q. You think it was within the first year?—A. I think it was within the first year.

Q. Do you mean after you purchased it or after the contract was let?—A. After the commencement of the service. We commenced the service at the commencement of the term.

Q. Do you remember what the pay was for four additional trips per week increase?—A. I think the pay was \$11,000 a trip, which would be \$44,000 per annum. It was precisely *pro rata*.

Q. The original was three times a week at \$33,000 per annum?—A. Yes, sir. The original contract was not from Winnemucca, but from Elko, and was afterward changed to Winnemucca.

Q. You purchased that from those who ran the route before?—A. Yes, sir; I think Hill Beechey was the proprietor of the stock.

Q. What means did you take to have the four additional trips increase on that route? How did you accomplish that or bring it about?—A. The delegate from the Territory and the officers and citizens, I think, petitioned for it or asked for it; I think they did; that is my impression.

By Mr. CANNON:

Q. That was on the Boise City and Winnemucca route?—A. Yes, sir. I think there were such papers presented.

By the CHAIRMAN:

Q. You think that was the means you adopted: getting up petitions and obtaining the influence of the delegates and officers of the Territories?—A. Yes, sir.

Q. Did you use any other means?—A. No, sir.

Q. You did not do that personally out there?—A. No, sir; if it was done at all other people took any part in it. I did not personally go about it.

Q. Do you know anything about getting up the petition?—A. No, I cannot say that I do.

Q. Do you know whether it was got up here or out there?—A. It was got up out there, if anywhere. I never was a party to any petition.

Q. Did you never know of any petition which was manufactured here?—A. No, sir; I never did. I never have done business in that way.

Q. You have never been out there?—A. No, sir; I have never been out there.

Q. In this case you originally had service three times a week; then you had an increase of service of four times a week at the same rate. State to the committee, as a mail-contractor and a man of business, whether you would not make a great deal more money on the increase of service than you would on the original contract at the same price.—A. I will explain that to you.

Q. Answer that question first, if you please, and explain afterward.—A. In some cases it would and in some cases it would not; that depends upon the receipts for passengers. You may have a service at three times a week; that, with the mail-pay and the passenger-receipts, will give you a fair compensation. The mail-pay not being very large, ordinarily it is not pay enough to pay the expenses. In such a case as that you can make a fair thing of running three times a week, with the mail-pay and passengers, and make a fair profit—such a profit as you ought to have on the investment. You make four additional trips, and you have got to perform double the service and you only get the mail-pay. You do not carry a single more passenger than you would in running three times a week. That is true on some routes. If the mail-pay was big enough to pay all the expenses, the more trips you could get the better, but there is no such case to my knowledge.

Q. Wherever you had the increase of service on these mountain-routes, were not the different business-firms with whom you were connected the instigators or the getters-up of the petitions and the other arrangements which you had for an increased service?—No, sir; I think we got no increased service except on those two large routes.

Q. On this route did not you and Mr. Tuller and Mr. Smalley, who were the parties interested, have the petitions gotten up, and did you not see that they were indorsed by the Delegates from the Territories and other officers?—A. I think very possibly we did; but I do not know that we did.

Q. Did you lose or make money by this increase of service?—A. We lost money in the first place.

Q. What do you mean by the first place?—A. Let me say here that the old service was six times a week, and Mr. Creswell reduced it to three times a week.

Q. It was six times a week before this advertisement?—A. Yes, sir; and we never stopped running it at six times a week.

By Mr. McMAHON:

Q. Why did you continue to run it at six times a week?—A. We thought the business demanded it.

By the CHAIRMAN:

Q. You thought it would pay?—A. We thought that the demand would be for the

service; that if we reduced it we would have to get rid of our stock and dispose of it and have to put it up again; that the demand would be sufficient to require the service.

Q. Did you or not run it six times a week because you believed the Department would increase it again?—A. I certainly thought that the reductions which Mr. Creswell contemplated would not be sustained.

Q. You do not know why he reduced the trips?—A. No, sir; I never asked him why he reduced them; but he came into the Department with the idea that a great deal of this service in the Territory could be reduced, and of course he met the opposition and the clamor of all the people living in the Territories. They wanted the mail-service; that was about all they had or all the General Government could give them; but, so far as we are concerned, all the money that we get is spent there now at any rate.

Q. Then you were running that at six times a week, and it was increased to seven times a week, for which increase you got \$44,000 a year?—A. Yes, sir.

By Mr. McMAHON:

Q. But you were running at any rate six times a week?—A. We bought the stock on the road for six times a week and ran it six times a week. We certainly thought it would be increased. It was increased. We merely judged about that, but ran it eight or ten months at our own expense and got nothing for it.

Q. You had a route from Kelton, Utah, to The Dalles, Oreg., seven hundred and fifty miles, with the same parties, except that Parker was added?—A. Yes, sir.

Q. What officer in the Department determined this matter of increased service?—A. I could not say who it was.

Q. I do not mean in this particular case, but generally.—A. Sometimes, if it was a matter of considerable importance, the Postmaster-General determined it. If it was a matter of small account the Second Assistant would determine it; that is my experience.

By the CHAIRMAN:

Q. Parker, Tuller, Smalley, and Barlow were the contractors on the route from Kelton to The Dalles.—A. Yes, sir.

Q. That was a six-times-a-week trip?—A. Yes, sir.

Q. For which you received how much?—A. One hundred and ninety-two thousand dollars.

Q. I observe that there was an order for one additional trip, increasing the pay \$32,000 per annum.—A. Yes, sir; that is, *pro rata*.

Q. And there was an order for a side supply at \$5,000 per annum.—A. Yes, sir.

Q. What was that side supply?—A. I am not very familiar with the country, but it was some service that increased the distance. I do not remember what it was; the order will show that. I never was in that country, and of course am not familiar with it.

Q. You do not know where that side supply went off?—A. I do know it enough to describe it. I know generally where it is. You have it on your records.

Q. You do not know whether it is included in the original advertisement for the service or not?—A. I conclude, as a matter of course, that it was not. If it had, it would not have been done.

Q. You do not know, then, that in performing your contract you are obliged to go over this very ground where you got this \$5,000 for a side supply?—A. I do not think we were obliged to; I am satisfied we were not.

Q. You are under the impression that it went off to one side really?—A. I am under the impression that it went off. When the route was let to us it did not embrace these points that we went to, and we had a right to omit them.

By Mr. McMAHON:

Q. They were not named in the advertisement?—A. They were not named in the advertisement, and we were not obliged to supply them. They were off the route, and it would increase the distance. We could omit them, if we chose.

By the CHAIRMAN:

Q. I see that there is a route from Elko to Mountain City, in the valley, of eighty miles, let to E. L. Barlow, one trip a week. Who is E. L. Barlow?—A. There is an error there in the name, I think.

Q. What name was it?—A. L. S. Barlow.

Q. Who is L. S. Barlow?—A. The party in the other contract—my daughter. Let me describe what was done about that. The Winnemucca route, as we call it, was originally let and started from Elko and went by the way of Mountain City to Boise City, and that service in the change to Winnemucca was taken off, and we agreed to perform the service there for a certain sum once a week, whatever it was. I think that is the way that occurred; that is my impression. Hill Beachy conceived the idea that he could run from Elko by the way of Mountain City to Boise City and build a toll-road there, and that he could get the two routes consolidated into one and run there, and that he could control the thing. When he took the route he found that it was a

failure; that it was impracticable to do it; and probably that was one of the reasons of his selling out.

Q. State to the committee what time you got the increase of service of one trip a week on that Kelton and Dalles route, for which you got \$32,000.—A. I could not tell you; I suppose that you have that information. I cannot remember or carry those things and do not pretend to. Those things which are matters of record I do not pretend to carry in my head.

Q. You do not remember whether it was in the first year or not?—A. I do not know that it was; but I should think it was.

Q. In the route from Kit Carson to Santa Fé, Col., do you remember the original pay? Was it \$95,000?—A. Yes, sir; I think so.

Q. There was an order of increase made in that of one additional trip?—A. Yes, sir.

Q. Do you remember what time that was?—A. I do not.

Q. What is your impression about it? Was it early in the season after you took it?—A. I should think it was, but I do not remember, however.

Q. Do you remember what the increase was?—A. It was *pro rata* for one trip more a week.

Q. You had a route from Fort Lyon, Col., to Sargent, Kans., of sixty-five miles. That route was finally to Pueblo, was it not?—A. Yes, sir; I think so.

Q. There were three additional trips on that route, were there not, over the original contract?—A. I should think there were.

Q. Do you remember what time that was done?—A. No, sir; I do not. There have been several changes on that route, and I do not remember.

Q. Was that done early in the season and the first year after you got the contract?—A. Yes, sir; I think very likely it was.

Q. In the route from Mesilla, N. Mex., to Los Angeles, Cal., the service when you contracted for it at \$124,000 per annum was two trips a week, was it not?—A. Yes, sir.

Q. Do you remember how soon after you got the contract the order was made for one additional trip?—A. My impression is that the order was made to take effect on the commencement of the contract-term, but of that I am not positive.

The CHAIRMAN. December 14, 1870, is my memorandum.

The WITNESS. I could not remember as to that date.

Q. There were a number of orders made in regard to that route, increasing the number of trips and increasing the compensation, were there not?—I think there was no order excepting the one order, an additional trip from Mesilla to San Diego.

Q. Was there not such an order as an order changing the direction of the route, for which you received \$2,500?—A. Yes, sir; there is an order supplying some point on the route. It was not on the route, either; it increased the distance that we had to travel.

Q. Do you remember how much it increased it?—A. No, sir; I do not.

Q. Do you remember what particular point that was?—A. No, sir; I do not remember the name, but I think that was a good deal less than *pro rata*.

Q. Then there was an order expediting the schedule-time from San Diego to Los Angeles?—A. Yes, sir; there was.

Q. Making one additional trip between the same points, and expediting the schedule-time also?—A. Yes, sir.

Q. Do you remember what that route aggregated after you got these increases and side-supplies, &c.?—A. I think it was about \$213,000.

Q. In regard to this Mesilla route, your original bid was for how many times a week?—A. I think that the bid under which the contract was let was for twice a week.

Q. Was your bid the lowest bid?—A. It was not the lowest bid that was offered. There were other bids there, but it was the lowest bid that was offered to be accepted.

Q. Do you remember who was the lowest bidder?—A. No, sir; I do not.

By Mr. McMAHON:

Q. In regard to this Mr. Seeley, whose attorney was contending for the bid at \$80,000 per year twice a week after the contract was awarded to you or your firm, Sanderson, Barlow & Burnham, at \$124,000, what position did Seeley occupy under you?—A. He occupied the position of subcontractor on a portion of the route between San Diego and Los Angeles.

Q. That was given to him, was it not, in consideration of the withdrawal of his bid?—A. No, sir; we made a bargain about it. He made an offer of what he would carry it for. My impression is that he was carrying it before for us, for the four years previous; we made the same arrangement with him that we had done.

Q. Was not that the consideration of his withdrawal of his bids on this other route from Los Angeles to Mesilla?—A. I do not think it was, because we should have let him have it anyway.

Q. Yes, but still if he had been quarreling with you, you might have been at logger-heads and thrown him out.—A. Well, we might have done so, but of course I should not have done that.

Q. Did you give him any interest in the Mesilla and Los Angeles route?—A. No, sir.

Q. Did you give him any money?—A. No, sir; I do not think I did. I did not. I have no knowledge of it. I do not think there was any given.

Q. He had an agent here contending for this bid, and you pulled the stand from under him by withdrawing his power of attorney, did you not; giving a power of attorney to your man Hood?—A. No, I think not; I do not know how Mr. Hood managed that matter. He was our attorney, and he managed it.

Q. He got a power of attorney from Sealey withdrawing all other powers of attorney and withdrawing Sealey's bid I think that is the record.—A. My impression about that is that he had a power of attorney in the outset, but I could not state distinctly; it is a long time ago.

Q. Did you not, from 1869 up to this time, or up to any period from that time to this, have persons regularly in your employ here at stated salaries?—A. No, sir, I did not; not any further than I have already told you.

Q. Did you not pay Morgan L. Smith \$25,000?—A. No, sir; I do not think I did.

Q. Did you not agree to give him \$10,000 a year from 1870 to 1874?—A. No, sir; I did not.

Q. Did you not agree to give him any amount per year?—A. No, sir; I did not.

Q. Did you pay him any regular amount per year?—A. I did not pay him any regular amount.

Q. At what period did you pay Morgan L. Smith the money of which you have heretofore spoken?—A. I paid him frequently, or gave him, or loaned him; you can call it what you please.

Q. You did not make any regular agreement about that?—A. No, sir.

Q. And you did not have any understanding with him about paying him a regular amount?—A. No, sir; I did not.

Q. What did the money which you paid him each year amount to?—A. I could not state.

Q. Why could you not state?—A. Because I do not know.

By Mr. McMAHON:

Q. Have you no account of it anywhere?—A. No, sir; I have not.

By the CHAIRMAN:

Q. Why did you not keep an account of it?—A. Because I did not want to.

Q. Why did you not want to?—A. Because there was no occasion.

Q. There is a reason inside of that. You are a business man, a sensible man; it is a very unusual thing it seems to me for a man to carry on a transaction of this kind and to keep no account, and I should like you to give the committee your reasons.—A. Because there was no stipulated sum and I gave him money, or at least he called on me and got money occasionally.

Q. Were you a particular friend [of Morgan L. Smith?—A. I could not say that I was.

Q. Were you at all under obligations to him?—A. No, sir; I do not think I was.

Q. He was not a particular friend and you were not under any obligations to him in any way?—A. No, sir.

Q. I should like to know if you are in the habit of giving moneys out in large sums to a man with whom you are not particularly friendly and to whom you are under no obligations?—A. No, sir; not generally, I am not.

Q. Then this was a special case?—A. Yes, sir.

Q. Will you not try now and think of the reason for this special case and tell it to the committee? We all know that there must have been reasons.—A. Well, I thought likely he might be of service to me or he might be of injury to me.

Q. How did you think he would be of service to you?—A. I never should ask him to help me.

Q. Answer the question, if you please. How did you think he would be of service to you?—A. I did not know he could be of any service to me, but I thought likely enough he might be of injury to me more than of service.

Q. How did you think he would be of injury to you?—A. I did not know that he would be certainly, but I thought it was well enough to keep on good terms with him; I thought it was best to.

Q. Do you mean to tell this committee that you have no satisfactory reason for your action, and you went on from year to year paying a man money in large sums and did not know what good or injury he was going to do you, or did not think there was any good going to come out of it?—A. No, sir; I did not know.

By Mr. McMAHON:

Q. Was he much about the Post-Office Department?—A. Very little, so far as I ever saw.

By the CHAIRMAN:

Q. What good did you expect him to do?—A. I did not expect him to do me very much good.

Q. What injury, then, did you expect him to do?—A. Well, I did not know that he would do any. Now let me explain to you as far as I can. He might have represented as a great many others did, and might have had influence to have defeated me.

Q. Did he represent?—A. I do not know that he did. I do not think he ever did, and I did not want that he should.

Q. Did he never say anything to you that he could be of injury to you or benefit to you?—A. No, sir; he did not.

Q. What originated the idea in your mind to pay him money? What started you to pay it to him? You have a reason for it.—A. It is very hard telling what it was.

Q. Undoubtedly you must have had some reason for it; you must have had something to put it into your head to be paying this man money—a man to whom you were under no obligation.—A. I do not think it was put into my head from anybody outside.

Q. You originated it, then, in your own head?—A. Yes, sir.

Q. What originated it?—A. Well, it would be pretty difficult for a man to describe the operations of his mind.

By Mr. McMAHON:

Q. It was paid while his brother was Second Assistant Postmaster-General?—A. Yes, sir; it was paid while his brother was Second Assistant Postmaster-General. Morgan L. Smith was a friend of a good many prominent men here in Washington and had associations with men of influence and standing—official standing at any rate, and otherwise.

Q. Do you give that as a reason why you paid him the money?—A. That was one reason.

Q. What was another?—A. That was one. I do not know as I can give any other.

Q. You then thought that he was a brother of the Second Assistant Postmaster-General and had influential friends and associated with influential people, and that he would be of service to you?—A. Yes, sir.

Q. How did you expect him to be of service to you?—A. Well, I think that a good politician would appreciate the idea that I had.

Q. I do not know whether we can or not. We would like to hear your view of the matter.—A. I do not know that I can give it.

Q. Did you expect him to be of service with his brother the Second Assistant Postmaster-General?—A. I have stated the facts. You can draw your own inferences.

By Mr. WADDELL:

Q. We do not want to draw any inferences. I object to this style of replying to questions. Plain, honest questions have been asked you and I want you to give plain, straightforward answers to them. I desire you to answer me a question or two. You employed Morgan L. Smith, as I understand, and paid him large sums of money, and when you were asked why you did it, you said that you thought he might do you some injury or might do you some good. When you were asked what good he could do you, you could not tell; when you were asked what injury he could do, you could not tell. I want you to explain to the committee why you should have selected him in particular from anybody else who occupied a high social position in Washington City and paid to him large sums of money; what was your reason for picking him out; why did you select him; were there not plenty of other people here occupying as high a position as he, and what particular reason was there for you to select him to do this service and for you to pay him these large sums of money?—A. I thought that if I required any service done for me that he would be very likely to be able to accomplish it.

Q. What made you think he could do you more service than anybody else?—A. I did not think he could do more service than anybody else.

Q. Did you think that he could do you more harm than anybody else?—A. No, sir; I did know that he could.

Q. Then why did you select him?—A. I thought it would be a good, politic move for me.

Q. Why did you think it would be a good, politic move for you?—A. Because I thought it would.

Q. Why did you think so?—A. From his position and standing, and relations to the officers of the Department.

Q. Do you mean his relations to the Second Assistant Postmaster-General, his brother?—A. His relations generally, and standing.

Q. Is that what you mean?—A. Yes, sir.

Q. Do you mean his relations to the Second Assistant Postmaster-General?—A. I thought that his position was such that if I required any assistance he would be a good person to employ. He was of some advantage to me, I thought, in this matter of investigation.

Q. In what respect?—A. Well, he was very well posted about what was done and being done; and kept me posted about it, and gave me such assistance as he could.

By Mr. McMAHON :

Q. Do you mean posted with the committee or in the committee-room?—A. No, sir; not in the committee-room at all; but posted on what was being done with these parties outside. He was a very good poker-player, and associated with that class of men a good deal; and he knew very well what was going on.

By Mr. WADDELL :

Q. I understood you to say in answer to the question I asked you just now that on account of his relationship to the Second Assistant Postmaster-General you thought he would be of service to you, and that was the reason you employed him, and the reason you paid him these sums of money?—A. That was not wholly the reason.

Q. Was it partly the reason?—A. Very likely it was. That was an element that went into the account in my mind in settling it.

Q. Then that is partly the reason that you employed him?—A. It is pretty difficult if a friend of somebody who was in position came and wanted to borrow some money to refuse to lend it.

Q. Then I understand you to say that that was partly the reason, on account of his relationship to the Second Assistant Postmaster-General and his supposed influence with him, that you employed him in the way you did. What other officers in the Department did you suppose he had influence with?—A. I did not suppose that he had any influence to do anything that was improper to be done. I did not suppose that he had influence with anybody else. I do not think he had any influence with any other person in the Department.

Q. I have not asked you any questions on that subject.—A. I understood you so.

Q. You admit that that was partly the reason that you employed him, because of his influence and connection with the Second Assistant Postmaster-General. I now ask you if he had any influence with any other officers of that Department that you know of?—A. Not that I know of.

Q. Did you believe that he had influence with any other officers? Was that the motive that induced you to employ him?—A. No, sir; I did not suppose that he had any influence.

By Mr. CANNON :

Q. Did Morgan L. Smith represent that he had influence to control his brother?—A. No, sir, he did not; and I never supposed that he had.

Q. Did he let out any innuendo or intimation of that kind?—A. No, sir; he never did.

Q. Did Giles A. Smith make any representation to you, directly or indirectly, or give any intimation that his brother did influence him?—A. I never supposed that he influenced a single thing which I had before that Department in any respect whatever.

By Mr. McMAHON :

Q. You simply gave him the money for nothing?—A. Yes, sir; pretty much that.

Q. That is your deliberate testimony, is it?—A. My deliberate testimony is that he never influenced a thing there, in any respect whatever.

Q. That is not the question I put. Your deliberate testimony is that the money was simply given him. You did not expect him to do anything of the sort.—A. I did not want him to do anything.

Q. Did you give him the money to keep him from doing it?—A. I think I have answered that pretty thoroughly.

Q. I do not think you have.—A. I have said that it is a pretty difficult position to put a man in, as I was situated. A man came like Mogan L. Smith and wanted to borrow some money and I let him have it. There never was any contract between us.

By Mr. WADDELL :

Q. It was a case of addition, "division, and silence."—A. O, no; there was never anything of that kind.

By the CHAIRMAN :

Q. I understand that you make the statement that you expected him to use some influence with his friends in the Post-Office Department as well as out of it for the purpose of furthering your interest.—A. I will tell you what I expected.

Q. Answer that question. Have not you stated that that was the reason?—A. I do not know that I understand you. I do not think that I stated it in that way.

Q. Have you not stated that you had employed him or given him this money for the reason that he was the associate of men of influence, and that he was the brother of the Second Assistant Postmaster-General. Have you not given that as a reason why you paid him the money?—A. I could not state whether I have. I could hardly tell what I have stated here.

[At the request of the witness a portion of his prior testimony was here read by the stenographer, and his examination was proceeded with as follows:]

By the CHAIRMAN :

Q. You say that Morgan L. Smith borrowed this money from you?—A. That was generally the form that it took.

Q. Did you take his notes?—A. No, sir; I did not.

Q. When was he to pay it?—A. I did not much expect that he ever would, and I was not disappointed.

Q. Did you at all expect that he ever would pay it?—A. No, I did not.

Q. Did you not know that he never would pay it?—A. I was pretty well satisfied that he would not.

Q. Did you not know that it was not a loan?—A. No, sir; I did not.

Q. Do you not know that you gave it to him?—A. No, sir; I do not. How much have I stated that I let him have?

Mr. WADDELL. That is just what I would like to get at.

The CHAIRMAN. A very large amount; but not \$50,000.

The WITNESS. O, no. I guess I said not \$20,000. It was not as much as that. It was considerable money. He was indebted to me considerable money or under obligations to me for considerable money.

By the CHAIRMAN :

Q. Was Morgan L. Smith in the habit of giving dinners and entertaining people?—A. I think he was. I will say in reference to Morgan L. Smith that I never thought he did me a bit of good or a bit of hurt in the Department.

Q. When did you arrive at that conclusion?—A. All the time.

Q. You still paid him money all the time?—A. I did let him have money and I guess a good many others did here.

By Mr. McMAHON :

Q. A good many other contractors?—A. No, sir. I mean a good many other people.

By the CHAIRMAN :

Q. When was the last time you let him have money?—A. I guess it was not long before his death.

Q. What time did he die?—A. I could not state that. It was a matter of a good deal of discussion at the time, but I cannot recollect the day of his death.

Q. State to the committee in what capacity Mr. Earle assisted you as an attorney.—A. He attended to my business before the Department when I was not here. I corresponded with him, and I advised with him.

Q. Were you not here most of the time?—A. No, sir; I was not. I have a good deal of business elsewhere which requires my attention. My family was here in the winter.

Q. He attended to business in the Department for you?—A. Yes, sir.

Q. How much did you pay him?—A. I could not state.

Q. How much did you pay him by the year?—A. I paid him pretty liberally.

Q. What do you call "pretty liberally"?—A. I could not tell what I call "liberally."

Q. Did you not keep any account of it?—A. No, sir; I never did.

Q. Your books will not show it?—A. No, sir.

Q. Did you ever pay him \$5,000?—A. No, sir; I do not think I ever did.

Q. Did you ever pay him \$10,000?—A. No, sir.

Q. Or any amount between the two?—A. No, sir; I think I paid him less than \$5,000 altogether.

Q. About what do you think you paid him?—A. I should think it might aggregate somewhere near four or five thousand dollars.

Q. Did you employ him on account of his legal ability or on account of his personal relations with people inside and outside of the Department?—A. Originally I consulted with him about some matters that I wanted attended to, and I found him a very pleasant, quiet kind of gentleman.

Q. I asked you if you employed him on account of his popular relations with people outside or inside of the Department. Was that the inducement for you to employ him?—A. One reason I employed him was that he had been a former law-partner of Mr. Creswell, and that he was well acquainted with him and could probably have access to him and to talk with him about the things that were done, and I could find out through him better than I could to depend upon myself to do it. Allow me to say right here in justice to Mr. Earle, and also for the reason that it would be an implication upon Mr. Creswell if I did not, that I never asked Mr. Earle and never expected him to make any representations which were not perfectly correct.

Q. Why did you think it necessary to make that statement to this committee?—A. Because I have been paying him some money and employing him. I can see the point of this.

Q. What point do you see?—A. I see the point that it might look as if his relations were all the reason that I employed him.

Q. Then his relations were not all the reasons; you employed him on account of his

business ability?—A. I employed him because I thought he would be a useful man to me, and not a very expensive man.

Q. What was the name of your attorney whom you had employed here?—A. Mr. Nathaniel Wilson, I think.

Q. You employed him for purely legal business, I understand.—A. Purely legal business. He attends to my land-matters, and the collection of my debts, &c.

Q. You did not employ him, then, for any influence that he had with the Department or other officers of the Government?—A. No, sir; Mr. Wilson is the gentleman whom I sent to see Mr. Clark, the chairman of the committee. I think Mr. Earle had as a specialty business before the Department.

Q. Have you any other attorneys or agents here whom you had employed at that time besides those you have mentioned?—A. I think not.

Q. Have you not an agent?—A. I think not. None occur to me now.

Q. Have you never had any man under your pay or paid any man for the purpose of doing any business of yours in connection with your mail-contracts since 1870?—A. I do not think of any one except those I have named.

Q. You have had no kind of office at your residence here in the city?—A. No, sir.

Q. You have had no parties whom you have employed for the purpose of keeping any accounts?—A. No, sir.

Q. You have had no parties whom you employed as middle-men between you and other persons?—A. No, sir.

Q. You have had no other attorney or agent employed during all that time for the purpose of assisting you in your mail-contracts?—A. Not that I now recollect.

Q. I understood you to say in your examination that you had never paid any money to any individual who was an officer of the Government, and that you had never paid money to any other individual to pay to an officer of the Government for any favor that he would give to you in the Post-Office Department?—A. I have no recollection of ever doing anything of the kind. If you will direct my attention to any individual I will state positively.

Q. I am directing your attention generally to the Post-Office Department.—A. I do not think I ever did.

Q. In your business as a mail-contractor, have you ever paid any officer or employé of the Post-Office Department any money for the purpose of assisting you in your mail-business?—A. I never have. It never was necessary.

Q. Have you ever made them any presents?—A. No, sir; I think not.

Q. Then all the money that you speak of on the books as charged up to you for expenses here, at Washington, was money that you paid out to other individuals than officers in the Post-Office Department?—A. Yes, sir; I have no recollection of any pecuniary transaction with any individual connected with the Post-Office Department.

Q. I should think you would be apt to remember it if you had?—A. I think I should myself, certainly.

Q. Did you ever have your life insured with any officer of the Post-Office Department?—A. No, sir; I never did.

Q. You never knew that there was an agent of a life-insurance company in the office?—A. I have heard that, and have read it in the papers. I will say this about the officers of the Post-Office Department: I never found it necessary to pay anybody or to give them any present to get any of my business done.

Q. Do you know where A. H. Brown is now?—A. I do not.

Q. When was the last time you saw him?—A. Not very long ago.

Q. Where did you see him?—A. In Montreal.

Q. What time did he leave Washington?—A. I do not know.

Q. When was the last time you saw him in Washington? Please remember particularly, if you will.—A. It is some time since—several weeks.

Q. I want you to state the exact day.—A. I do not know, sir.

Q. Come as near it as you can.—A. I could not come anywhere near it.

Q. Did you not have an interview with Mr. Brown the night before he left Washington City?—A. No, sir; I was not in town.

Q. Did you not have an interview with him two or three nights before he left the city?—A. No, sir. I was not here when he left the city. He was gone a long time.

Q. Do you know when he left? How do you know that?—A. No, sir; when I returned here they told me that he was gone.

By Mr. McMAHON:

Q. Who told you that?—A. I do not know; some of his acquaintances; I do not remember who it was. Several different persons asked me if I knew where Brown was.

By the CHAIRMAN:

Q. You did not ask them if they knew where Brown was?—A. No, sir, I did not; nor did I know where he was.

Q. How long afterward before you met him in Montreal?—A. Well, it was a good while.

Q. What do you call a good while? Be more particular as to dates.—A. Several weeks.

Q. A few weeks ago you say is as near as you can fix the time you saw him here, and several weeks after that is as near as you can fix the time when you saw him there?—

A. I can fix the time pretty near when I saw him there, because I can fix the time I went to Montreal. I went to Montreal to see—my son lives in Canada and his father has an office in Montreal, and I wanted to see the business man of his office, Mr. Chaffee, a relative of the family. I went there and I found Mr. Brown at the hotel in Montreal.

Q. Did you ask him when he left Washington?—A. No, sir, I did not.

Q. When was it that you started?—A. I guess it was about a week ago.

Q. Did you have any conversation with him?—A. Yes, sir; I did.

Q. Did you have any conversation with him about the post-office or mail-contract matters here?—A. Yes, sir; I told him that there was an investigation in progress here. He seemed to understand it.

Q. He seemed to be aware of that fact?—A. Yes, sir.

Q. Did he say that he was coming back soon?—A. I did not ask him.

Q. Did he say that he was coming back?—A. I say I did not ask him, and he did not say.

Q. He did not say how long he was going to stay there?—A. No, sir, he did not; I did not ask him.

Q. Were you an intimate friend of Mr. Brown?—A. I was.

Q. He was frequently at your house, was he not?—A. Yes, sir, very often; and I was very often at his rooms.

Q. Do you know what his business was here after he left the Post-Office Department as contract-clerk?—A. I do not know that he ever had any business. I do not think he had; but I was told that it was supposed that his business was to go around the Department there and steal some papers that I wanted very much to get out of the Office. I told him that I thought that he had better keep away from the Post-Office Department. I heard that story.

Q. Whom did you hear it from?—A. I cannot tell whom I heard it from, but I heard such a story.

Q. Some man came and told you that?—A. Somebody told me that. I think very likely if you will inquire of somebody in the Post-Office Department and perhaps the Postmaster-General he could tell you about it.

By Mr. McMAHON:

Q. Can you give the name of the person from whom you heard it?—A. No, sir. I heard in Vermont that I was engaged in the operation in cahoots with Ben. Butler and Burt and all those fellows to get the Postmaster-General turned out. My case has been discussed a great deal, and I hear a great deal, and I can't tell you where it all comes from, for I don't pay attention to it.

By the CHAIRMAN:

Q. You say you and Brown were intimate friends?—A. Yes; and we are now.

Q. You understand one another very well socially?—A. Yes, sir; we did.

Q. He knew your business very well, did he not?—A. Yes, sir.

Q. You knew him very well?—A. Yes, sir.

Q. You met him in Canada?—A. Yes, sir.

Q. You were surprised when you met him?—A. No, I was not.

Q. Why were you not surprised?—A. Because I had learned that he was in Canada.

Q. How did you learn that?—A. By letter from him.

Q. What did he say to you in that letter about being in Canada?—A. I think not very much.

Q. Tell us what he said.—A. I cannot tell you, for I have not the correspondence before me.

Q. Have not you got the letter?—A. No, sir, not here; it is home if I have it at all; that is, if it is in existence. I do not keep all unimportant letters, of course.

Q. You did not consider that an important letter?—A. No, I did not.

Q. There was no information in it of importance to you?—A. No, sir; none at all.

Q. Can you remember anything that he said in the letter?—A. I can remember that he told me where he was.

Q. What did he tell you that for?—A. Because he thought I would like to know, and I would like to know. I did not know where he was for a long time. I knew that he was not here, and I supposed—he told me that he was going to Utah to see his brother there. He has some cousins in Denver.

Q. When did he tell you of it?—A. He said that he thought he should go to Utah.

Q. When did he tell you that he was going to Utah?—A. It was on some of his visits here. He spoke of it several times, saying that he thought he should go to Utah. He was not doing anything here.

Q. And you thought from that that he had gone to Utah?—A. Yes, sir.

Q. Did he not invite you in that letter to come to Canada and meet him? You must remember that.—A. I will tell you what I think. He informed me that he was going to be in Montreal—

Q. Did he not tell you that he would be in Montreal, and that he wanted to meet you in Montreal?—A. Well, I do not think he did. He told me that he would be glad to see me, and that he would be in Montreal at such a time and that he would like to see me.

Q. Did you not think that was an invitation to see him in Montreal?—A. I should think it was an invitation that he would be glad to see me.

Q. You went up to Montreal, and did meet him; and you only had the little conversation that you have detailed to this committee when you arrived there?—A. No, sir; I had a great deal of conversation; and we rode out round the mountain road and looked over the city.

Q. Did he tell you that he had left Washington to get out of the way of the investigating committee?—A. No, sir; he did not.

Q. Why, did he tell you that he had gone to Montreal instead of to Utah?—A. I did not ask him, and he did not tell me.

Q. You did not feel any curiosity on that subject?—A. No, sir.

Q. Still he had told you that he was going to Utah?—A. He had told me that he was going there.

Q. You did not ask him why he had changed his mind, and why he had instead of that gone out of the United States?—A. No, sir.

Q. Did he have any business out in the direction of Utah?—A. He had no business here, he said; he did not know what the devil he was hanging around here for.

Q. Did he say that in Montreal?—A. No, sir; he said that several times to me. He talked about going into business here, and talked to me about taking some interest in some matters in Vermont.

Q. Has he any business in Montreal?—A. I do not think he has; I do not know that he has.

Q. You say that you never employed A. H. Brown in any of your business here?—A. No, sir; I never did. I will say in that connection that there is no necessity for employing a clerk in the Department. The business is done by the heads of the Department, and there is no occasion to employ clerks.

By Mr. WADDELL:

Q. Your intercourse with Brown was purely social, as I understand you?—A. I was brought in contact with him constantly. I found him an efficient man, of a good deal more than average ability.

Q. There was just a social intimacy between you?—A. It was a social intimacy; we never had any business.

Q. Did you ever meet any of the officers of the Post-Office Department in your interviews with Mr. Brown at his room during your intimacy with him?—A. Never. I do not know but that I might have met Colonel Routt there.

Q. Did you ever meet anybody else belonging to the Department?—A. Not that I know of or recollect.

Q. You never met Giles A. Smith there?—A. Never. I think I met Mr. Routt there sometimes, as I say. I have been there on Sunday. There would be a number of them meet there in the evening and play, sometimes cards and sometimes checkers, and one thing and another. He sometimes had a barrel of cider. We used to go over there and drink cider. We were very intimate and very good friends; he was a very good friend of mine.

Q. Did you meet Mr. Routt at Brown's room often?—A. No, sir; not very often. I never met him there by appointment; it was incidentally. I think that he and Colonel Routt were from the same town. I never met him there but a few times.

Q. Did Mr. Routt visit you at your house?—A. He never was at my house in his life.

Q. Nor Giles A. Smith?—A. Nor Giles A. Smith.

Q. But Brown, you say, used to be there often?—A. Brown used to be there very often; he frequently dined with me Sunday. I always liked to have him come; he is a good social fellow, a plain, unpretending man, a man of excellent good sense and good principles and habits, and I am not ashamed to associate with him anywhere. If I am permitted I will say right here that I never asked an official in the Post-Office Department to do an improper thing for me; I never made an improper suggestion to one or an improper proposition or proposal to one; I never made an improper proposal or proposition either to a man in the Department or out of it, and never got anybody to convey one to them; I never thought I could do it; I have not felt bound to do the business of the Department; I attended to my side of the case and I supposed that the Government attended to theirs; I think that in all of the orders which have been made on the service those who made them can justify themselves. I expect they can. If they cannot, it is their fault, and not mine.

By the CHAIRMAN :

Q. Was Mr. Brown intimate with the people in the Post-Office Department?—A. I do not know that he was, because I never met him with them.

Q. You never met him in the Department?—A. No, sir.

Q. You did not know him, then, when he was the contract-clerk?—A. I say I never met him elsewhere with them excepting as I have stated to you. I do not know how intimate he was with them.

Q. Did you see him in the Department frequently?—A. O, yes.

Q. He was familiar in the Department?—A. Yes, of course he was.

Q. Did Brown ever give you any valuable information that he got out of the Department?—A. Not that I know of. There is no information there, I suppose, which is secret. I suppose anybody can get any information there by making a proper application for it.

Q. You mean to say, then, that Brown was never of any particular assistance to you in any way in your matters?—A. He never was of any more assistance than any other clerk would be; not a bit.

Q. I mean after he left his clerkship?—A. He never gave me any information about anything in the Department that I know of.

Q. Do you know anything about how much of an estate he had when he came here?—A. No, sir, I do not; I never inquired.

Q. Do you know how much he has now?—A. No, sir; I do not.

Q. You spoke about his habits; were they expensive?—A. No, sir; they were very economical; I never knew him guilty of any extravagance in his habits in any way.

Q. How long have you known him?—A. I think he went into the Post-Office Department at the same time that Mr. McClellan went out and Giles A. Smith went in. The first I knew of him was when I met him in the Department and I was introduced to him in the Department. His predecessor was a fellow of considerable ability and a pretty active man, and it was thought it would be pretty hard to find anybody to fill his place; but I very soon found that Mr. Brown was a man of quite as much ability for the place that he had (having that whole western coast) as his predecessor.

Q. Mr. Parker was one of your partners at one time?—A. Yes, sir, he was interested in our business.

Q. Where is Mr. Parker now?—A. I do not know, sir. He lives at Atchison, Kansas. His full name is J. W. Parker.

Q. Where is Mr. Burnham now?—A. Mr. Burnham has a residence in Saint Louis. His full name is T. J. Burnham.

Q. Do you know whether he lives there or not?—A. I presume he does; he is a very quiet, modest man.

Q. Where is Mr. Tuller?—A. Mr. Tuller has a residence here; he is not in town now.

Q. Where is he, if you know?—A. He went West to attend to his business there, as I understand. The reason I inquired is that I had an order on him for some money, and I went to his house the other night to inquire if he had returned. They said that he had not got back, but that he was expected every day.

Q. Where is W. Smalley?—A. That is my daughter.

Q. Is she a married daughter?—A. No, sir; she is unmarried.

Adjourned.

BRADLEY BARLOW, examination continued.

By the CHAIRMAN :

Q. Have you had any communications with Mr. Sanderson lately?—A. I have not.

Q. Do you know where he is now?—A. I say lately; I mean not within a few days. He wrote to me that his wife was very sick and has been lying dangerously ill, but that she was better and he expected to go up to Pueblo. I saw a notice yesterday that the Department had put service on to the railroad from West Las Animas to Pueblo.

Q. Did he tell you that he was under subpoena to this committee?—A. He did. He was subpoenaed when he was here before. I understood from Mr. Mitchell, of Kansas City, that he obtained permission from the chairman of the committee to go home. If you want him here, he will come; there is no doubt about that. Mr. Mitchell went home. I supposed I should find him here when I came back, but he left the afternoon that I returned. I did not see him; I went down to see him.

Q. You have had no communication with him (Sanderson) about evading the committee?—A. O, no, sir; he will not undertake to; I will give you my word for that.

Q. The reason I am asking the question is that he is not in Saint Louis; I have sent for him there.—A. He wrote to me that he expected, as soon as his wife's condition was such that he could, to go to Pueblo, and wrote to me that he had bought two carloads of horses. We are putting on some service from Cocharas to Del Norte, and we are making considerable changes, and there is about two hundred miles of railroad

where our service is coming, which we want to attend to now while it is being done. We shall neither of us evade service.

Q. I desire to ask you about the advertisement of October 1, 1873, for contracts for July 1, 1874. They were let to take effect 1st of July, 1874. You understand what I mean?—A. Yes, sir.

Q. State whether in those contracts any one bid for you on any of your contracts, filed a certified check and the other papers with the Department, whether the contract was awarded to them, and after they commenced carrying the service they threw it up.—A. No, sir; not for us.

Q. For any contract that you were interested in?—A. No, sir.

Q. Did not De Lacy get some contracts for you?—A. No, sir; not for us.

Q. Whom did he get them for; what contracts was De Lacy on, if you know?—A. He was on several in Idaho. I knew nothing about it, and knew nothing at all about his bidding.

Q. In 1874, who was the route let to from Santa Fé to El Paso?—A. It was let to W. C. Clark.

Q. Is he carrying the mail there now?—A. No, sir; he is not.

Q. What became of W. C. Clark?—A. He failed.

Q. Did he commence carrying the service?—A. Yes, sir.

Q. Whose stock did he carry it with?—A. We carried the mail under some arrangement that was made. It was an arrangement of which I do not know the particulars. It was an arrangement that, if he could find somebody who would satisfy us as a purchaser of the stock, they should have it.

Q. What did he pay you for carrying the mail?—A. All we ever got was the mail-pay.

Q. What did he agree to pay you?—A. I do not know that.

Q. Did he agree to pay you anything?—A. I could not say that he did. I do not think he was responsible for anything.

Q. Did the mere passenger-trade on the route pay you for carrying it at the time?—A. No, sir; it did not.

Q. What was your object in carrying it?—A. Our object in carrying was that we had stock there, and we were satisfied that there would be a failure and that some other party would have to take it.

Q. Why were you satisfied that there would be a failure?—A. Because the price was too low, nobody could carry it.

Q. Have you any idea what his object was in carrying the mail so low?—A. I have not any idea, unless it was, judging from his bond, that he was used by other parties.

Q. Do you know who was on his bond?—A. I think I examined his bid; I understood that F. P. Sawyer was on his bond.

Q. Has Mr. Sanderson or either one of your partners ever told you that they had any arrangement with them?—A. He has told me that there was an arrangement made.

Q. What did he tell you was the arrangement?—A. I could not describe it. I don't know, for I had no more to do with the business up there than he had with the business here.

Q. What did Sanderson tell you the arrangement was for?—A. The arrangement was that they were to carry the mail, and if he could get a satisfactory price for the stock, and find a purchaser for the stock, we would sell it. We wanted to sell out and get out of the business, and were in hopes somebody would think enough of it to buy our stock.

Q. Whom was the route from Mesilla to San Diego let to?—A. It was let to Kerns & Mitchell.

Q. Have they the route now?—A. Yes, sir.

Q. Are you interested in it?—A. I don't think I am. They are the lowest bidders on the route, and are carrying the mail.

Q. Who has the mail-contract from Pueblo to Trinity?—A. Clark got that.

Q. This same man?—A. Yes, sir; this same man.

Q. Who carried the mail for him on that route?—A. We did; and also from Las Animas to Pueblo.

Q. What arrangement did you have about that?—A. The same as the other. He had three routes there and the arrangement was the same in all cases.

Q. How about the route from Kit Carson to Santa Fé?

The WITNESS. That was the one of which you spoke first.

The CHAIRMAN. I spoke of the Santa Fé and El Paso routes; are they the routes?—A. No, sir; if you spoke of the Santa Fé and El Paso routes, my answer was meant to apply to the Kit Carson and Santa Fé routes.

Q. I now ask you who had the Santa Fé and El Paso route?—A. A man named Strachan carries it.

Q. Is he carrying the route now?—A. Yes, sir; or parties carry it in his name.

Q. Are you interested with him?—A. No, sir; not at all. I have a power-of-attorney to collect the mail-pay for parties whom he has employed to carry the mail. I have directions to pay the money to a man named Bennett.

Q. You are not interested in it except to collect on power-of-attorney?—A. Not at all.

Q. How about the Oroville and Portland route, or between the termini of those two points from the railroad?—A. Mr. J. P. Goddard had that; it is from Reading to Roseburgh.

Q. Is he carrying the mail now?—A. No, sir; he is not.

Q. Who is carrying it?—A. I am carrying it, or our party is.

Q. How did you come to carry that mail?—A. The same way as in the other cases.

Q. He threw up the contract?—A. Yes, sir.

Q. What arrangement did you have with him?—A. The same arrangement.

Q. You mean by the same arrangement that you had no preconcerted arrangement with him when he put in his bid?—A. No, sir; none at all.

Q. What did you pay him?—A. We did not pay him anything for the giving up of the contract.

By Mr. McMAHON:

Q. What arrangement did you make with regard to that; did you take him into partnership?—A. No, sir; we did not.

Q. What did he pay you?—A. I got the mail-pay, what there was of it.

Q. Just as you did on the other contracts?—A. Yes, sir; I got what there was on the route.

Q. Was that a large amount?—A. No, sir; very small; very insignificant.

Q. Was it large or small on these other routes?—A. It was small; too low.

Q. How long did you carry the mail on the Reading and Roseburgh routes?—A. I think six or seven months.

Q. At this moderate rate of pay?—A. Yes, sir.

Q. How long did you carry it on those other routes which you have mentioned?—A. I think some three or four months.

Q. Then it must have been a losing business?—A. It was.

Q. How was it in regard to that route from Kelton to The Dalles in 1874?—A. I understood the arrangement was the stock was sold conditionally to De Lacy if he could give satisfactory paper for it.

Q. Do you mean your stock?—A. Yes, sir.

Q. De Lacy got that contract from Kelton to The Dalles?—A. Yes, sir; I think he got three contracts there.

Q. He carried it with your stock?—A. Yes, sir.

Q. What were those conditions?—A. On condition that he gave satisfactory security for the payment.

Q. Did he give satisfactory security?—A. No, sir; he could not do it.

Q. Did you think he could do it when you made the contract?—A. I did not think he could; I presume he thought he could.

Q. Still you made the contract?—A. Yes, sir; we kept the stock in our possession so far as legal possession of it was concerned.

Q. What pay was De Lacy to give you for carrying that mail?—A. All we ever got was the mail-pay.

Q. Are you carrying that route now?—A. Yes, sir.

Q. When the contract was thrown up by De Lacy, or upon his failure, who was it awarded to?—A. The contract was awarded, I think, to Bradbury.

Q. For temporary service?—A. No, sir; we were employed to carry it temporarily.

Q. I mean who was employed to carry it temporarily after De Lacy threw up his contract?—A. I think we were.

Q. How long did you carry it on temporary service?—A. I think about three or four months.

Q. What pay did you get?—A. We got the price of the old pay.

Q. Then it was re-advertised, was it?—A. Yes, sir.

Q. How did it come into Bradbury's hands?—A. It was offered to the bidders up to him.

Q. That is, it run up the scale of bids?—A. Yes, sir.

Q. Did he accept?—A. Yes, sir.

Q. Is he carrying the contract now?—A. We are carrying it.

Q. How did Bradbury get it?—A. By some arrangement made with him we were to execute and carry out the contract for him.

Q. Do you mean by that that you are carrying out his bid?—A. Yes, sir; the contract was made with him.

Q. What consideration did you pay Bradbury for giving you up the contract?—A. I don't know; I never did know.

By Mr. LUTTRELL:

Q. You paid him money though, did not you?—A. I don't know that there was anything paid to him. We are carrying at a very low figure. I should be very glad to have anybody take it off our hands and any service we have got.

Q. I desire to call your attention back to the other routes which I mentioned. When these contractors threw up did you carry the temporary service on all of them which you have mentioned?—A. Yes, sir, we did; we had the stock.

Q. At what prices did you carry?—A. I think at the old prices for the time that it took to get new offers.

Q. That is, from four to six months?—A. I think it was about three or four months. The books will show that.

Q. Were they re-advertised or relet by running up the scale of bidders?—A. By running up the scale of bidders.

Q. Did you make a purchase of the bid when it was arrived at on that route the same as you did on the Kelton and Dalles route, say the Santa Fé to El Paso route?—A. We were not interested in that.

Q. Pueblo to Trinidad?—A. I don't remember whose name that went to; I think that went to Mr. Sanderson.

Q. You think it went to Sanderson and you?—A. To Sanderson's bid; I was not a bidder on anything.

Q. How as to the Santa Fé and Kit Carson route?—A. That was a man named Tisdale.

Q. Did he carry the mail at his bid?—A. No, sir. I will tell you exactly what was done with him, for I did it myself. He came here and said that he could not perform the service, and that, if we would, he would be very glad to have us do it at his bid; I told him we would do it.

Q. You took it at his bid?—A. Yes, sir; there was no consideration whatever. After we had made the arrangement, and before he went away, I gave him \$200, telling him that he had been at an expense in coming here, and that was all the consideration there was about it. He said he did not want the route, and if we wanted it we were welcome to it.

Q. Whom was this Reading and Roseburgh route assigned to when it went up the scale of bids?—A. C. W. Foster, who is my son-in-law, who now lives at Ottawa, Canada.

Q. You are carrying that at his bid now, are you?—A. Yes, sir.

Q. Who is carrying the mail from Winnemucca to Boise City? Whom was that let to in 1874?—A. The names are not very familiar to me. I cannot recall them at once.

Q. Winnemucca is on the railroad, I believe?—A. Yes, sir; I know the route; we were carrying it.

Q. Were you the lowest bidders?—A. No, sir; this was one of the routes that Mr. De Lacy was the lowest bidder on.

Q. Did De Lacy carry it?—A. No, sir; that is, he carried it in the same way that he carried the route from Kelton to the Dalles—under the same arrangement.

Q. He was reported as carrying it?—A. Yes, sir; he did substantially carry it; the same arrangement was made.

Q. In fact you carried it for the mail-pay, did you?—A. That was all that we ever got.

Q. He made arrangements to purchase your stock, and did not do it?—A. He made arrangements to purchase the stock, and did not pay for it.

Q. You never expected that he would pay for it, did you?—A. I never expected he would be able to pay for it. I took the power of attorney and collected the mail-pay.

Q. Who got the route from Boise to Canyon City?—A. I think De Lacy got it.

Q. Did he carry that mail?—A. No, sir; I do not remember now whose names the contract was made in. I suppose that any man of means might have carried that route at his bid.

Q. Are you carrying that route now?—A. Yes, sir.

Q. At about \$500 or \$1,500 more than his bid was?—A. I don't know which.

Q. How did you get into that route?—A. The same way as the others.

Q. I mean the route from Winnemucca to Boise City, and from Boise City to Canyon City; were those two routes carried by you for temporary service until they run up the scale of bids?—A. Yes, sir.

Q. How long?—A. I should think not very long, I don't remember exactly; it was a very short time on all those routes; we have the stock on the road, and the Postmaster-General designated the length of time at which the service must be commenced.

Q. State to the committee whether these routes were advertised for a less service or a greater service than the old contracts in the advertisement of 1873, for the lettings of 1874.—A. I think all the routes that you have spoken about this morning were advertised for the same service that they were before.

Q. All of them?—A. I think all of them were, unless it be the Winnemucca route, I don't know but that was advertised for three times a week, but I am not certain about it;

my impression is that the routes we have been speaking about this morning were all advertised for the same service that they were the four years previous, unless it was Winnemucca.

By Mr. LUTTRELL :

Q. I understood you to say that at the last letting, the contract from Reading to Roseburgh was let to one J. P. Goddard ?—A. Yes, sir.

Q. Do you know Goddard ?—A. Yes, sir.

Q. How long have you known him ?—A. For twenty years.

Q. Did you know that he had put in a bid for the contract on that route before ?—A. I did not know anything at all about his bid.

Q. Had you or your company any bids in on that route ?—A. Yes, sir.

Q. How many had you ?—A. I could not state from recollection.

Q. Can you approximate near the number, including your son-in-law, your relatives, and your company ?—A. I think, so far as I know anything about it, that our company hadn't any bid in the matter at all, below Mr. Bishop's, that they had any control over. That was \$63,000.

Q. Your company, then, had a bid of \$63,000, in the name of Mr. Bishop ?—A. I don't know that the company had anything really to do with it.

Q. What was the bid of Mr. Foster, your son-in-law ?—A. Seventy-three thousand seven hundred dollars.

Q. You are carrying at that rate now ?—A. Yes, sir.

Q. Do you know Mr. Stone ?—A. Yes, sir.

Q. Is he not in your employ as your superintendent out there ?—A. Yes, sir.

Q. Do you know that he put in a bid ?—A. There was a bid there in his name. I knew nothing about it at the time.

Q. Do you know how much that bid was ?—A. I do not.

Q. Do you not know that it was less than \$40,000 ?—A. I think it was, but I don't remember.

Q. Do you know Mr. Tucker, who was a road-agent for you ?—A. No, sir ; I do not know any of the people on the road. I know Mr. Stone, because he was formerly in our employ in New Mexico.

Q. Do you not know that Mr. Louis Tucker is also employed there ?—A. I understand that he is.

Q. Don't you know that Louis Tucker put in a bid ?—A. I know there's a bid there in his name ; I suppose that he put it in.

Q. That was for less than \$35,000, was it not ?—A. Yes, sir ; I think so.

Q. Do not you know your company influenced Stone and Louis Tucker, who were both in your employ at that time, to put in those bids, with a view to getting it themselves ?—A. Really I do not know anything at all about it.

Q. When Mr. Goddard failed, you say that he turned the line over to you ?—A. Yes, sir.

Q. Did you not then hold and control the bids of Tucker and Stone at that time, or since then ?—A. We did or could have controlled them, if we had wished to.

Q. Then you controlled all the bids from that time up to the one of your son-in-law, did you not ?—A. I did, or could control them, I suppose ; I think I could.

Q. Did you not state yesterday that you had secured the bids by paying money ?—A. No, sir ; I did not say I had done so. I suppose Mr. Huntley did.

Q. In speaking of this company I included all the partners to it ; did not your company, through Huntley, purchase all the bids up to that of your son-in-law ?—A. I could not say whether they did or not.

Q. Are you not satisfied in your own mind that you did ?—A. I do not know that, really. Mr. Huntley could answer for himself. I understand that he is subpoenaed.

Q. Did not Mr. Huntley tell you that he had bought those bids and controlled them, and that now you would carry the mail at the contract of your son-in-law ?—A. I do not remember anything about that.

Q. Will you swear that Huntley never told you that he purchased the bids of Stone and Tucker ?—A. No, sir ; I would not swear that he did not.

Q. Did he not tell you that he purchased the bid of Grant Taggart ?—A. I don't think he ever told me that he did. I don't think he ever said anything about it, but I inferred that he did.

Q. Don't you know that your company did purchase the bid of Grant Taggart ?—A. I suppose somebody did ; at any rate, he did not appear.

Q. Did you not hold the power of attorney of Grant Taggart on your line ?—A. I think I did.

Q. And you withdrew, and declined to carry on his bid, did you not ?—A. Yes, sir.

Q. What was your object in withdrawing ; was it with a view to running up to a higher bid ?—A. Neither he nor I would have accepted at that price, and nobody would.

Q. Did you not purchase the bid of Beekman and Corbett, and also hold a power of attorney, and withdraw that bid, and decline to carry it ?—A. I think their bids were purchased, but I did not purchase them.

Q. Your company purchased them?—A. No, sir; the company did not purchase them. Mr. Huntley, I think, purchased them.

Q. Was not Mr. Huntley acting for your company?—A. He was acting for himself in the matter, because it was understood at the time—

Q. Was he not a member of your firm at the time when these purchases were made?—A. He was a member of the firm.

Q. You say that Mr. Huntley purchased those bids?—A. I think he did.

Q. Did not Mr. Huntley, for your firm, purchase the bid of Mr. Blanchard, of California, also?—A. I could not state positively about that. I have the impression that he did. I wish to say right here that so far as the company is concerned, it entirely expired with the end of the last contract, and every one of the members acted just as they pleased after the expiration of the last contract term. The moment that expired it was in liquidation, and each man was acting for himself. I don't hold myself responsible for anything that they did, nor are they responsible for anything I have done. It is well understood, and they all understood, that I intended to go out of the business if I could find a man to purchase the property.

Q. You and Huntley, and the others, are still in partnership?—A. We are interested in that matter. We have not been able to sell out to anybody.

Q. Can you now tell or approximate the amount paid to Mr. Taggart for his bid on that route?—A. My idea is that Mr. Taggart received somewhere in the neighborhood of a consideration equal to \$5,000 in that matter. I would not state that positively, however, for I don't know.

Q. Do you know how much was paid to Beekman and Corbett?—A. I think about the same sum was paid to them; but I don't know it.

Q. You think Mr. Huntley did that, you say?—A. I think he did. As we stood before, Mr. Huntley had owned one-half of it. I had one-fourth interest in the stock. Our business or our connection terminated with the contract, except to get rid of it.

Q. So that Mr. Huntley purchased these bids of the several bidders in California and Oregon, and you took powers of attorney from these parties, and then declined to carry the mail, withdrawing the bids, and made your own contract on the bid of your son-in-law? Is not that about the sum and substance of it?—A. That question hardly admits of an answer yes or no. I took the powers of attorney, and I think that Mr. Huntley purchased their bids. I know that I had powers of attorney from them; or, at least, I think that I had.

Q. Then you declined, on those powers of attorney, to carry on the bids designated upon the several powers?—A. I did.

Q. And run up the list until it came to your son-in-law's bid, which was much higher; then you got it on his bid, and are now carrying on his bid?—A. We are now carrying it on his bid.

Q. Mr. Foster's bid?—A. Yes, sir.

Q. Where does Mr. Foster reside?—A. In Ottawa, Canada.

Q. How long has he resided there?—A. About six months. His father is constructing a railroad there, which is called the Canadian and Pacific road, and he is at work for him, and, as I say, is living there.

By Mr. McMAHON:

Q. Did you buy some lots of Mr. Campbell?—A. I will state precisely about that, as I have seen the account in the newspapers. I went into Fitch & Fox's one day, and he offered me some lots on Sixteenth street. I offered him \$13,000 for them. I told him I would pay him \$3,000 whenever he accepted it, and I would pay the \$10,000 in the course of a short time, I think thirty or sixty days. The next time I went in he accepted my offer. I was satisfied that I could have bought them for less, if I had offered less. When he came to tell me whom the title was in, I found it was in Augustus Campbell, of Chicago; the deed came from there. I know nothing about it except that fact. They wanted a mortgage, and I told him if they did the sale would not go on; but that if they would take my note for the \$10,000, payable at the times I agreed, I would give it. I gave them my note, and they gave me the deed. I paid them \$3,000 down, and \$10,000, I think, in thirty, sixty, or ninety days; I paid the equivalent of cash for it.

Q. What bank was that note payable at?—A. At Riggs's.

Q. The \$3,000 cash was paid by check at what bank?—A. Riggs's.

Q. Where do you deposit your money regularly?—A. At Riggs's. I keep a bank-account there.

Q. How long have you deposited at Riggs's?—A. I think for ten or twelve years.

Q. Through whom do you purchase your drafts in Washington City?—A. I very seldom purchase any drafts here. I do have a bank at home. It is a little advantage to give our drafts the circulation for the time they would have in remitting to distant quarters, and I do that kind of business through our own bank.

Q. Where did you keep your firm bank-account?—A. We have no firm bank-account, and never have had.

Q. Do you deposit the mail-money which you receive in your individual name?—A. Always.

Q. In Washington City?—A. Sometimes I remit my collections direct to the Park Bank, New York, for the credit of our bank at home—large amounts. Sometimes I deposit with Riggs, and take a draft of them and remit it to the Park Bank.

Q. Do you keep the bulk of it in New York?—A. Yes, sir.

Q. You only paid \$13,000 for these lots, you say?—A. I paid exactly \$13,000 for them. It was represented that I paid a nominal price for them, but I could not get the price to-day. Property has depreciated very much here as well as everywhere else. I was satisfied in fifteen minutes after I bought them that if I had offered less I could have got them.

Q. How much less do you think you could have got them for?—A. I think I could have got them that day for \$12,000. The other half of that front of the square was sold afterward, and those lots were offered to me for considerably less than the ones which I bought and paid for. I gave about 60 cents, I think, and I think I offered him 50 cents for the others, but he did not take it, and they were sold to another party. I don't know who owned them when they were offered to me. When I first knew about this square, Fitch & Fox tried to sell it to me; they owned the whole square. I have dabbled a little in real estate here, but not much. They afterward told me that they had sold the entire square. I asked them to whom, and they said it was deeded to a man in Chicago, but they did not know who the real purchasers were. This was a part of the same square, fronting on Sixteenth street, that I thought was desirable, and I had an idea it would be a good investment, and bought it.

By the CHAIRMAN:

Q. In speaking of your bank-account, and your doing business with Riggs & Co., I wish to ask you how you paid the money to Colonel Farrar?—A. I generally drew the money. I may have given him some checks, but I generally gave him the currency.

By Mr. McMAHON:

Q. Did you draw that currency on your own checks?—A. Yes, sir; I think so.

By the CHAIRMAN:

Q. When you wanted to pay him money yourself, instead of giving him a check on the bank, you went to the bank, obtained the money on your own check, brought it down, and paid it to him.—A. Yes, sir.

Q. What was your object in doing that? It would have been more convenient to have given him a check, would it not?—A. Probably it would sometimes.

Q. What was your object?—A. I do not know that I had any object. They generally wanted the money, and frequently requested it.

Q. Whom do you mean by "they"?—A. Well, Farrar. They generally requested it. I supposed that they were not always known. The money answered the purpose; with the check I would have had to go and identify them.

Q. Do you say Colonel Farrar was not known here?—A. I suppose that he was known well enough to get his money on a check; but they generally wanted the money.

Q. Do you say that there was no particular reason for your giving money instead of a check?—A. No particular reason that I know of. Sometimes it would be less trouble to give a check, and sometimes not.

Q. If you gave him any check on the bank, what bank would you have given it on?—A. On Riggs's bank.

Q. Was the money which you paid Morgan L. Smith paid by check or in money?—A. It was paid in money.

Q. Did you go to the bank and get the money to pay him?—A. Sometimes I did, and sometimes I had a draft on the Treasury here at the city of Washington; sometimes I got these drafts cashed, if they were not of large amounts. I would get a draft cashed and have some money in my pocket to use as occasion required.

Q. Was there any particular reason for paying money to Morgan L. Smith in money instead of in checks?—A. I do not know that there was any particular reason why I should pay him in money.

Q. How is it as to the money that you paid to Mr. Earle? Was that paid in money or in checks?—A. I always paid it in money.

Q. Always?—A. Yes, sir.

Q. You never gave him any check?—A. I never gave him any check in my life.

Q. Why do you remember that you never gave him a check?—A. I never gave Morgan L. Smith a check.

Q. Why do you remember that you never gave those two people checks?—A. I do not know why, but I know it.

Q. You say you may have given Farrar a check?—A. I think I have, a good many times, but I am very certain that I never gave either of those a check.

Q. Did you ever give Mr. Wilson a check for his fees?—A. I have.

Q. He was your regular legal attorney?—A. Yes, sir.

Q. Did you ever pay him money, or did you pay him always with checks?—A. I think I always paid Mr. Wilson in checks.

Q. He never did any business for you in the Post-Office Department?—A. Never.

Q. Did you ever pay Mr. Farrar any other money except for the purpose you speak of, about that investigation?—A. Never.

Q. You say that you always paid Mr. Wilson in checks?—A. I think so.

Q. And that you always paid Morgan L. Smith and Mr. Earle in money?—A. Yes, sir; I distinctly say that.

Q. Please state to the committee why you made that distinction between the two sets of attorneys.—A. Their business was very distinct. So far as Morgan L. Smith was concerned I did not consider him an attorney at all. I should like to say a word in reference to the money that I paid him. I may have done him injustice in what I said yesterday. My first acquaintance with Morgan L. Smith was before his brother was appointed, and I had letters. When Mr. Creswell came into the office, or before he was appointed, the air was full of rumors that Mr. Creswell was going to cut down all of that service in the Territories. I was interested in the service to the amount of between four and five hundred thousand dollars. I had a good deal of anxiety about it. We had had over two years of Indian wars on the routes, and had suffered great loss of property, loss of business, passenger traffic, &c. We had just got to a point where we were able to save a little money, and it was near the close of our contract. I had a great deal of solicitude about it. I took pains to get letters from friends of mine in Chicago to Mr. Smith, setting out what kind of a man I was. Judge Beckwith gave me letters.

Q. What do you mean by saying you took pains to get letters stating what kind of a man you were?—A. That I was a reliable contractor, doing a regular and legitimate business. These letters were to Giles A. Smith.

Q. Was Morgan L. Smith formerly of Chicago?—A. No, sir; I said that Mr. Beckwith was from Chicago. I was anxious, like any man in my position, to establish a fair character as a contractor and a business man, and I got my friends, whenever I could find any here in the city, and also my acquaintances, to represent me to officers of the Department, because I knew, or rather there was a rumor, that there was going to be a cutting-down of this service in the Territories. I was led to believe that. There was a considerable cutting-down of service, but my service was not disturbed.

By the CHAIRMAN:

Q. Do you say there was in fact a considerable cutting-down in the service?—A. Yes, sir; there was in Arizona, and in Sawyer's service in Texas it was a cut-down, and my impression is that the Missoula route was cut down. I had nothing to do with it, and I am not certain about that, but there was considerable service cut down when Mr. Creswell came in.

By Mr. AINSWORTH:

Q. How long had you known Morgan L. Smith before you commenced paying money to him?—A. I became acquainted with him, and knew, in point of fact, that there was going to be a change in the Second Assistant Postmaster-General here before it was publicly known. Mr. Beckwith told me so. He is a leading politician in Illinois. I sought to make friends to prevent my service from being cut down. I succeeded in saving my own service, and I thought I was a good deal indebted to the kind offices of Morgan L. Smith in the matter; and I talked the matter over with Giles A. Smith, and he said he was not in favor of cutting down this Territory service, but the matter rested entirely with Mr. Creswell and depended upon his decision. I supposed, of course, that the Second Assistant Postmaster-General had some influence in the matter, but my service was not cut down. I felt under a good deal of obligation, or kindly toward Mr. Morgan L. Smith. He was a man who was always needy.

By the CHAIRMAN:

Q. You felt kindly toward him because your service was not cut down?—A. I felt kindly toward him. I had never paid him anything for it, and he was always in want of money.

Q. You mean by that explanation that you did pay Morgan L. Smith?—A. No, sir; not that; nothing of that kind. He received a good deal of money from me afterward, it is true.

Q. In relation to the question as to your bank-account: you always paid Mr. Wilson, your attorney, in checks?—A. Yes, sir.

Q. How did you pay Mr. Hood?—A. I think I sometimes paid him in checks, and sometimes, I think, I have given him my note. I have accommodated Mr. Hood with money, and I have his notes now. He owes me money now.

Q. You sometimes paid him with checks and sometimes with money?—A. Yes, sir.

Q. State what is your general mode of doing business where you make a payment of money and have a bank-account. Is it your general mode to give a check for that money?—A. It is my general practice to give checks.

Q. Then those that you give money to are exceptions to your general rule? Why did you make exceptions in this special case? Why did you pay in money, and not pay by checks? I take it for granted that you have a reason, because it is a special action, and I

desire to know that reason.—A. I did not care to have anybody know that I was paying any money to Morgan L. Smith, or that he was getting any money from me. I never really considered it a payment.

Q. You wanted to cover that up?—A. No, sir; I did not want to cover it up. I did not cover it up.

Q. You did not want it known, I suppose; that was your idea?—A. Really all these contractors that had the service cut down—

Q. But I mean now with regard to this bank-account?—A. I want to try to explain to you why I did not care to have it known.

Q. Did you have the same reasons in paying money to Mr. Earle, and not giving him checks?—A. I do not think I ever gave him any very large sum at a time.

Q. You do not answer the question. The question is, if you had the same reason.—A. No, sir. I never made any secret of having Mr. Earle for my attorney.

Q. State your reasons.—A. It was because when I had money in my pocket I gave it to him. I almost always had money in my pocket.

Q. You say it was your general rule to give checks?—A. I frequently do, where I cared to have a voucher.

Q. But that it was a special action in the cases of these gentlemen named where you paid them money?—A. I have told you just what the facts are.

Q. Did you ever loan Mr. Earle money?—A. No, sir; I never did.

Q. You do not hold his note?—A. No, sir.

Q. Did you ever loan anybody else money for his benefit?—A. No, sir; I never did.

Q. Did you ever make any purchases of property of which he was to receive the benefit?—A. No, sir; I never did; not a dollar. I never had any transaction of that kind.

Q. Did you ever pay any money out, in any manner, shape, or form, which was to be for his personal benefit?—A. No, sir; I never did.

Q. Did you give to him?—A. No, sir; not any other than I told you about. It was never any secret that Mr. Earle was acting as my counsel. I often went to his office and asked his advice about things, and consulted him about the law and all legal questions about which I had any doubt.

By Mr. AINSWORTH:

Q. What other inducement than the fact that Morgan L. Smith was a brother of Giles A. Smith, and that he was a good poker-player, induced you to pay him the money?—A. As I began to tell you a little while ago, although I do not know that I got through with it, I thought he rendered me that kind of service—

Q. No, no; I mean when you entered into the contract with him.—A. I never made any contract with him in that sense. I never really employed him; he always professed a willingness to serve me in any way that he could. He had a good many acquaintances, men in high position, and I desired their good offices. A man's operations here in Washington, or anywhere else, depend a good deal for success upon the good opinions that men have of him; and, as I have said before several times, or have attempted to say, there never has been a moment since I have had any large contracts with the Post-Office Department but what there has been constant warfare made upon me in some way, by individuals and by newspapers. I have had to combat it, and endeavored to do so by getting the good opinions of men who were in position to serve or to injure me.

Q. What induced you to believe that a good poker-player would have more influence at the Department than any other men, who were not good poker-players?—A. I did not suppose that he had any more influence at the Department than a great many other men.

Q. Then why did you employ him on account of his being a good poker-player, as you stated yesterday?—A. Not on account of that. I said that he was a good poker-player, and socially was on good terms with a great many people.

Q. State why you believed a good poker-player a better man at the Department than any other man. You said that yesterday; that the reason you employed him was that you believed him to be a good poker-player.—A. No; I beg your pardon. If I stated that, I will correct myself.

Q. You so stated, and I now ask you why you believed that?—A. If I said so I wish to correct myself. I said that he was a good poker-player, and had social intercourse with a great many good men.

Q. With what members of the Post-Office Department did you expect him to have intercourse as a poker-player?—A. I did not suppose that he had any intercourse with anybody in the Department as a poker-player.

Q. Do you, in your business relations, prefer poker-players to other men as business agents?—A. No, sir; I do not. I do not play poker myself.

Q. Why did you select Morgan L. Smith on account of his poker-playing ability?—A. If I said that I did select him on that account, I correct myself. I did not.

Q. Do you, as a business man, select poker-players in preference to other men?—A. I do not; and I say further that if I stated so, I misstated. My language did not convey what I intended it to, if I made that statement.

Q. Do you not know that, without reference to the business ability of Morgan L. Smith,

you selected him as your agent or attorney here, simply from the fact that he was a brother to Giles A. Smith, and you expected influence from him in that direction?—A. I do not think I should ever have been introduced to him if he had not been a brother of Giles A. Smith.

Q. Answer my question. Do you not know that you selected him simply because of his being a brother of Giles A. Smith, who was Second Assistant Postmaster-General, and for his influence on account of that fact?—A. I do not know that I did.

Q. What did you know of his business capacity previous to employing him?—A. I have stated a dozen times that he never was in my employ regularly.

Q. Previous to paying him money, then?—A. I endeavored to get the kind offices of a great many people that I never paid a cent of money to.

Q. Answer my question. What did you know of his business capacity previous to the time that you paid him money?—A. I did not know anything about his business capacity, and I do not now.

Q. You knew nothing of his ability in any direction except the fact that he was a brother of Giles A. Smith, did you?—A. I understood that he was a brigadier-general in the Army.

Q. But I mean as to his business capacity?—A. I say that I knew nothing about his business capacity.

Q. Then you advanced him money simply because he was a brother of Giles A. Smith, the Second Assistant Postmaster-General, did you not?—A. I advanced him money, and he was the brother of Giles A. Smith.

Q. The question is, for what reason did you advance him money?—A. I do not want to be impertinent, nor do I desire to make any impertinent answer, but I think I have the privilege of lending a friend some money, or giving him some money.

Q. When did you first become acquainted with him?—A. I became acquainted with him about the time that General Grant was elected.

Q. What were the relations between you and him?—A. Friendly, pleasant, social.

Q. How long before you commenced advancing him money?—A. I should think that he never asked me for any money, or to borrow any money from me, for eight or ten months.

Q. You loaned him money as a friend?—A. I did.

Q. Expecting him to repay it?—A. I did not; I did not much expect him to repay it, for he was an extravagant man.

Q. Did you keep an account of it?—A. No, sir.

Q. Did you charge it in any way?—A. No, sir; I did not.

Q. Did you bear the entire outlay, or was it charged to your firm?—A. It was charged to my firm.

Q. Does your firm recognize the right of you yourself to lend money to personal friends?—A. Yes, sir.

Q. And to charge it to the firm?—A. Yes, sir; I do pretty much as I am a mind to.

Q. Do you understand that your firm permits you to give money to any personal friends of yours, and charge it to the firm?—A. Yes, sir.

Q. Why?—A. Because we are just about the same as brothers, and have been for fifteen or twenty years.

Q. Does your firm keep any record of the accounts of the different members as to their expenditures?—A. We do not keep much account of it any way. The only object we have in keeping any account of that is to show what our business outgo is; that is all.

Q. Any member of the firm, then, may give to a friend any amount he pleases and charge it to the firm, without giving any account for the same. Is that your idea?—A. I will tell you this: I spent a good deal—

Q. No; I want you to answer my question yes or no. You can do that very readily. Any member of your firm may give to a friend any amount of money that he wants without accounting to the firm for it?—A. In the first place there are only two members of the firm—

Q. Answer my question. Can any member of your firm give a friend what amount he pleases without accounting in any way to the firm for the expenditure of that money?—A. No, sir; he cannot; not to anybody that he pleases.

Q. To whom can he give without accounting to the firm?—A. I will answer you: When I am here in Washington, and people are hanging about here and are impecunious, I think I had better let them have some money than refuse them, and I charge it the firm.

Q. Then your firm is instituted for the purpose of taking care of impecunious individuals in Washington, is it?—A. It is instituted for the purpose of taking care of their own business.

Q. Answer my question. Is your firm instituted for the purpose of taking care of impecunious individuals in Washington?—A. No, sir; not at all; it is for taking care of our own business.

Q. Is it not instituted for the purpose of taking care of individuals in Washington, and for the advancement of money to them, who do you a benefit?—A. No, sir; it is not.

Q. Then this advancement of money is without regard to whether you will be benefited by it or not, is it?—A. Sometimes it is.

Q. To whom have you advanced money without expecting benefit?—A. To a great many people.

Q. Name the persons to whom you have advanced money without accounting for it to the firm, without expecting benefit?—A. I do not know that I can name anybody.

Q. Name one.—A. I do not know that I can name anybody.

Q. Did you ever do so, except perhaps a five-cent piece to a colored man, or something of that kind?—A. I do not know that I ever did advance any money without expecting some benefit. I suppose a man always reaps a reward for the good he does.

Q. In heaven?—A. I have given away a good deal of money in my time without any reference to post-office matters.

Q. Did not every penny which you advanced in Washington, and did not account for to your firm, tend to your benefit in the matter of your contracts, or was it not designed to do so?—A. I do not understand your question. You say money that I did not account for. Do you mean that?

Mr. AINSWORTH. Yes; I mean that.

The WITNESS. I do not see how that has anything to do with this question. I cannot comprehend it. If I could I would answer you freely.

Q. Did not every dollar which you advanced to parties here in Washington, outside of your legitimate expenses, tend to the advancement of your interests as a contractor in the Post-Office Department?—A. I do not think it did. More or less of the money that I expended here, that I did account for and charge to the firm, I do not think had any influence either one way or the other. I think a good deal of money that I spent here I might just as well not have spent.

Q. Did you not advance it with the design that it should tend to your interest in that direction?—A. Of course, usually, I supposed that I would reap some advantage either directly or indirectly, in some way, from the money that I expended, as a general rule.

Q. Of the money advanced by you and charged to the firm, without giving items of what it was expended for, was it not understood by your firm that it was expended for the advancement of your interests in the matter of these contracts?—A. Of course it was; it was for the interest of the firm, but in my habits I am a very expensive man. I spend a great deal of money, and I think they would have some reason to complain of me. A good many men would, but the man I am dealing with does not.

Q. Were the advancements to Morgan L. Smith, and Earle, and to others charged to your expensive habits?—A. No, sir; Mr. Sanderson has told me a good many times, "You had better learn to say no, or you won't have any money left. You can never say no to anybody who asks to borrow money from you." It is a pretty difficult thing for me, if anybody asks to borrow money, to refuse.

Q. What amount is charged on the books of your firm against Morgan L. Smith?—A. I do not think there is any charge against him.

Q. You stated that you loaned the money as a member of your firm. Did you report that loan to your firm?—A. No, sir; I did not think it was worth it.

Q. You did not consider that a loan at the time, did you?—A. Well, it was in the nature of a loan.

Q. I know he asked you for it, and you let him have it, but did you make no minute of it, or charge it up in any way?—A. No, sir; I never did.

Q. You simply considered that as a donation?—A. Pretty much. Mr. Smith was a man of great expectations. He was always going to have money to pay it. He had a big cotton-claim before Congress, or was getting a bill through Congress, as he said. He was a man of immense expectations, but never realized them.

Q. If any other man, with no more property than Morgan L. Smith, had applied to you for a loan of the amount which you advanced to him, without any more acquaintance than you had with him, would you have given it to him but for the fact that he was the brother of the Second Assistant Postmaster-General?—A. I tell you I do not think I could have held out to give much more than I have.

Q. But do you think you would have given it to any other individual not a brother of Giles A. Smith? Do you think as a business man that you would have done it?—A. No, sir; I do not think I should.

Q. You say you only became acquainted with Mr. Brown after you came here to Washington?—A. Yes, sir.

Q. He was then in the Department?—A. Yes, sir.

Q. State where you became acquainted with him, and by whom you were introduced.—A. I think I was introduced to him in the Department by some other contractor. I went in there and was introduced to him in his room, No. 22.

Q. What position did he hold there?—A. He was, I think, a clerk of the third class; he had what they call a desk there.

Q. How long after that introduction was it before you invited him to your house?—A. It was a good while. I do not think I was keeping house then.

Q. Well, before you invited him to dinner?—A. It was a good while.

Q. About how long?—A. I should say it was several months; it is very difficult for me,

with all the transactions that I have, to remember these items. I would be glad to tell if I could. I have no disposition to conceal anything.

Q. What relation between you and him induced you to invite him to your house?—A. I felt bound to make myself agreeable to Mr. Brown or to anybody else that I did business with, and was just as agreeable with them as I could be, and wanted to make myself agreeable to him and to others in the Department.

Q. Then you invited Mr. Brown as a third-class clerk to your house because you were doing business with him in the Department, did you?—A. No, sir; I did not. I did not do it because of that.

Q. For what reason did you invite him to your house?—A. As I got more acquainted with Mr. Brown the more I liked him. He is a very good kind of a man; he is a very sensible man; has very good judgment about any matter that is committed to him. He is a man of very fair abilities—of a good deal more than the average of men.

Q. Then why your answer that you were bound to make yourself agreeable to persons with whom you did business in the Department?—A. I do everywhere. I try to make myself as agreeable as I can to this committee.

Q. Had that anything to do with your inviting Mr. Brown to your house?—A. Yes, sir; it had. I thought he would be pleased to come, and I would be pleased to have him. After I kept house I used to invite him frequently to my house, and on Sundays; he was very good company. He was a very sensible man in conversation. I have never gone to any places of amusement, and I like to have somebody come to my house of an evening to talk with. He is a good, sensible, clever, plain, unpretending man. I do not deny my intimacy with Mr. Brown.

Q. Do you invite people to your house with whom you have business in the Department for the reason that you expect that that will increase your influence at the Department?—A. Well, I do not know that I do. I do not think I do.

Q. Then why do you deem it your duty to make yourself agreeable to persons with whom you have business there?—A. I do it always. I try not to make myself disagreeable to anybody, but I sometimes do, I have no doubt.

Q. I asked you why you deem it your duty to make yourself agreeable to persons there?—A. It is very natural for me.

Q. It is as a matter of business, is it not?—A. It is natural to me, without any business. I had rather please anybody than to displease them.

Q. If Mr. Brown had not been in that position would you have been likely to have invited him to your house to dinner?—A. If he had not been in that position I never should have met him at all.

Q. State whether the reason of your intimacy with Mr. Brown was not the fact that he held the position that he did in the Post-Office Department?—A. No, sir; it was not, altogether. He held the position in the Post-Office Department, or, as I say, I never should have known him. My business led me there very often. You may calculate that a man who is carrying on a business as extensive as I was in the transportation of mails, at least five thousand miles per day, and constantly finding questions come up which required me to have intercourse with the Department very frequently, and to be here sometimes for quite a length of time—that I should want to be on pleasant terms with the men I had to do business with, and should try to be on pleasant terms with them. If you have an ill-natured man there he can bother you almost to death; there is constantly something coming up. For the last four years we have had at least three thousand five hundred miles of mail-service to attend to. I had a great deal of business to do with the Department, and endeavored to do it strictly honestly and fairly.

Q. Then your hospitalities were extended to him with the view of having a friend at the Department, were they not?—A. No, sir; they were not, in any such sense. I extended my hospitalities to him because it was agreeable to me to do so, and it was agreeable to him to come there. He is a very quiet, unpretending man. I do not know of any man who is any better than he is.

Q. Then you had no desire of getting his good-will?—A. Yes, sir; I have, and I have a desire to have everybody's good will.

Q. You had no particular desire to have his good-will on account of his being in the Department?—A. I can hardly answer that question yes, or no; he was there, and I told you that I did all of these things, and of course it leaves you to come to your own conclusions.

Q. I want you to come to a conclusion. Did you not desire to have a friend there?—A. I desired to be friendly with him. I did not desire, however, to have any friendship that would give me any undue or improper influence with him. In the first place, Mr. Brown could not do me any good; he could not make an order; everything that was done in the shape of an order had to be done by the Second Assistant or by the Postmaster-General. Mr. Brown could facilitate my business. I have sometimes gone to the other Departments to have business done, where I was not known, and I found some difficulty in doing it, and sometimes had to go and get a member of Congress to go with me and get a little thing done that they ought to have done without saying a word.

Q. What members of Congress usually went with you? Give their names.—A. I am speaking of the member of Congress from my own district, Worthington C. Smith. He is the only one that I ever recollect of having taken with me.

Q. You frequently had to take him to go to get things done which otherwise the Department would not do?—A. I have said that I had to get him to go—not to the Post-Office Department, but to the War Department. He never went with me to the Post-Office Department.

Q. What business had you with the War Department?—A. I had the collection of soldiers' vouchers; transportation vouchers.

Q. Did Worthington C. Smith, as Congressman, go with you to get matters passed at the War Department which otherwise would not have been passed?—A. They would have been passed in time, but they were small matters that they ought not to have bothered me about a minute. Such cases also occurred at the Treasury.

Q. But under his application they were immediately passed?—A. If a man goes to the Treasury or to the War Department, where he is totally unacquainted and nobody knows him, they do not always pay very much attention to him, but if he took along a member of Congress I noticed that they were pretty ready to respond.

Q. You stated yesterday that you could prove by the Postmaster-General and others that you ordered Brown not to hang around the Department.—A. No, I did not state that.

Q. State how and when that happened.—A. I did not state that exactly, I think.

Q. You did state it.—A. I should like to see it if I did.

Q. If you desire to explain it, very well; but you stated that you were informed that Brown was hanging about the Department trying to steal from the Department for your benefit.—A. Yes, sir.

Q. And that you told him not to be about there?—A. Yes, I did.

Q. And that you could show that by the Postmaster-General and others?—A. I do not know that I said I could show it by the Postmaster-General. You have got the thing mixed. I think the Postmaster-General is aware that such reports were made. If I stated that matter as you put it, I desire to explain it now. I think I stated that I had heard that Brown was hanging about the Department for the purpose of stealing papers which I would give a very large sum of money to get at. I told Mr. Brown that there was such a report, and that I thought he had better keep away from the Department. I then said that I thought the Postmaster-General was aware that there were such reports. That is what I meant to state.

Mr. MILLER. That there were such charges in the newspapers?

The WITNESS. No, sir; they were not in the newspapers, but there were such reports.

By Mr. AINSWORTH:

Q. What did you tell Mr. Brown to do?—A. I told him I thought he had better keep away from the Department; that there were such reports in circulation.

Q. Was the Postmaster-General aware of that fact?—A. Information came to me that the Postmaster-General was informed. Allow me further to state right here this fact: I received information that the Postmaster-General had been informed that I was in cahoots with Ben. Butler, Postmaster Burt, and others to get him removed, because I wanted somebody else there; and in this connection the story arose that I was keeping Brown there to steal some papers out of the Department which were very important for me to have. If there were any such reports in circulation, I thought that Mr. Brown had better keep away from there.

Q. To your knowledge there have been no papers in which you were interested missing from the Department?—A. No, sir; there never were any papers in the Department but what I should be willing to have spread before you or before the world.

Q. Every paper filed by you there is now on file?—A. Yes, sir; every paper filed by me. In fact, there could be by no possibility any papers that would implicate me in any wrong whatever. The representative from our district showed me a letter wherein Mr. McLellan was charged with having paid me a very large amount for property destroyed by Indians, which in point of fact never had any existence, and the writer wanted him to introduce a resolution to investigate it. This party said that he went to the Postmaster-General, and that the Postmaster-General told him he was not aware of anything of the kind; that he would furnish him a clerk, and he could go through the records and make an examination, and see if there was anything of that kind.

Q. Of the correctness of the claim you have made for property destroyed you know nothing except from outside parties?—A. I never made any claim and never was paid a cent.

Q. There never has been any allowance to your firm for property destroyed by Indians?—A. No, sir; there never has been an allowance.

Q. Has there ever been a claim filed by your company?—A. Not in the Post-Office Department.

Q. In any Department?—A. In the Indian Department there has been a claim filed for the loss of some property.

Q. Do you know anything about its correctness?—A. It is correct.

Q. Do you know anything about the facts?—A. Personally I do not.

Q. Who swore to that claim?—A. I could not tell you.

Q. You did not?—A. No, sir. There is a claim in the Indian Department, as I have stated. It lies there.

Q. Then the Postmaster-General could well certify that he knew nothing about it from

the fact that no claim was on file in his Department?—A. No claim was on file, regularly received and sent, from anybody.

Q. But there was a claim in the Indian Department?—A. Yes, sir.

Q. You have, however, no certificate from that Department as to its correctness?—A. No, sir; there is a claim filed there, and it lies there.

Q. And the obtaining of a certificate from the Post-Office Department that they knew nothing about it would in nowise affect the claim in the Indian Department, would it?—A. No, sir.

Q. Then why did you obtain the certificate from the Post-Office Department?—A. I did not obtain any certificate from the Post-Office Department.

Q. Why did your member of Congress obtain it when the claim was in the Indian Department?—A. I stated that this man said that Mr. McClellan had paid us for a large amount of property destroyed. Mr. McClellan was the Second Assistant Postmaster-General.

Q. Do the Post-Office Department ever pay anything?—A. No, sir; they never do, and I never have made a claim.

Q. They cannot pay anything, can they?—A. No, sir.

Q. They cannot disburse a dollar, can they?—A. No, sir; but that was the charge made; there never was any claim made.

Q. They never paid you a dollar in the world on a claim, did they?—A. No, sir; they never did and I never made a claim.

Q. They could not pay you a dollar, in any way, shape, or form. You receive your money from the Treasury Department, do you not?—A. Yes, sir; the Post-Office Department could not allow or audit any such claim.

Q. State what amount of money, if any, you have advanced to A. H. Brown.—A. Not any. I had no occasion to.

Q. Did you ever lend him any?—A. No, sir; I never did; I had no occasion to advance him money. He could not do anything for me if I wanted it or was in that business.

Q. State when you last saw Mr. Brown in Washington.—A. I should think it was six weeks ago. If you can ascertain when he left, I should think that it was two or three weeks before he left.

Q. State what conversation, if any, occurred between you and him at that time in regard to his leaving Washington.—A. Mr. Brown told me that he had been thinking about going to where his brother was in Utah, and he was hesitating whether he would go or not. He said he did not know what in the world he was hanging about here for, for he had nothing to do. I had talked to Mr. Brown about getting him a situation in a railroad in Vermont, but that had pretty much fallen through, and he said he did not know what he should do. He had a talk with me about going into the real-estate business with somebody here, but I do not know who it was. We discussed, as men do who are friendly, what his business prospects were, and what he had better do. He said that he had some thought, the last time I saw him, of going to Utah, and I supposed that he had gone there.

Q. Did you at that visit to Washington have any conversation with him regarding investigations about to be or being pursued in the matter of the Post-Office Department?—A. I do not think I did. If any, it was very general, nothing definite. I could not see how any investigation of him could be made.

Q. You stated yesterday that you had a conversation with him in Montreal regarding the investigation?—A. I did.

Q. Give that conversation in full.—A. I do not think it would be possible for me to give it in full. We talked, as men do generally who have met, about affairs which had transpired since we had seen each other, a thousand things. Among others we talked about the political situation, the Belknap affair, and other things that had transpired.

Q. When did you see him there?—A. I think it was a little over a week ago, a week or ten days ago.

Q. Not more than that?—A. It was since the Belknap affair. Marsh was in Montreal at the time.

Q. State what was said about the Post-Office Department.—A. Well, he said that he could not see how investigation in the matter of the Post-Office affairs would amount to anything; that the investigations had been thorough, and everything was exposed that could be; that everything that was done there was a matter of record, and he thought, so far as he knew, that everything was straight and proper and could be justified.

Q. There was no reference made to your matters?—A. Not in particular.

Q. The fact of your having been a contractor was not mentioned between you and him?—A. I think very likely it was.

Q. What was said about that?—A. I do not think there was anything special said about it. All of my business with the Department is a matter of record.

Q. I simply asked you what took place between you and him?—A. I do not think there was anything special said with regard to my business.

Q. Was anything said with reference to the charge which had been bruited about the Department as to the taking of these papers?—A. I do not think there was at that time.

Q. There was nothing said between you and him regarding it in any way?—A. We could find enough to talk about without talking about that.

Q. That is not the question. I asked you whether anything was said about that?—A. I do not think there was. I do not think there was a word between us about that. I had heard that story, and it had been told between us once, and that is about as often as I care to tell stories.

Q. That is the only time that you advised him to keep away from the Department?—A. I would not say positively that it was the only time. It may have been mentioned a second time, but that is not my habit. I told him I thought he had better keep away from the Department.

Q. He did, did he not?—A. Yes, sir; I had seen him there a good deal before.

Q. But you have never advanced or loaned any money to him in any way, shape, or form?—A. No, sir; I have not, and there is no reason on earth why I should. I wish to add right here, that the Government could not do without somebody to perform the service that I had, and that he could not add a cent to it nor take a cent from it.

Q. Could anybody?—A. The Postmaster-General could by law.

Q. Could anybody else add a cent to it outside of the Postmaster-General, or take a cent from it?—A. No, sir.

Q. Could Morgan L. Smith add a cent to it?—A. No, sir.

Q. Could these other men add a cent to it?—A. No, sir.

Q. I mean except by their influence upon the Postmaster-General or his subordinates?—A. No, sir; they could not.

Q. What is the name of your daughter?—A. L. S. Barlow.

Q. State whether at the time you were acting as her attorney you were not her bondsman?—A. Yes, sir.

Q. State whether her bid for those routes was not put in at your suggestion.—A. It probably was.

Q. State whether you were not acting as her attorney.—A. I always acted as her attorney in the business of the Department.

Q. State whether it was not optional with you either to accept them in her name or to decline to accept them.—A. Yes, sir; it was.

Q. State whether you did not receive benefit from declining to accept the bids which she put in—I mean as a rule.—A. Probably I did.

By Mr. WADDELL:

Q. Do you know of any member of your firm, or any agent of the firm, paying, giving, or loaning to any person or persons any money, goods, or valuables of any kind to be used to secure influence with the Post-Office Department?—A. I do not.

By Mr. CANNON:

Q. How long have you been contractor for mail-service?—A. About sixteen or seventeen years, commencing before the war.

Q. That was under Buchanan's administration?—A. Yes, sir.

Q. When you speak of contracting for mail-service that length of time, do you mean in the Territories in the West?—A. In our first service we purchased stock and contracts of a party in Missouri for a hundred-mile service from Sedalia to Kansas City. Then at the next lettings some parties obtained some contracts that they were unable to furnish the capital to carry out, and among them the Santa Fé route from Independence, Mo., to Santa Fé, and from Santa Fé to El Paso, and we purchased that. We purchased the stock of the old contractors. There were quite a number of other routes, also.

Q. You have been a pretty heavy mail-contractor since prior to 1860 up to the present time?—A. I have.

Q. Have you been about Washington a good deal since that time?—A. I have, a great deal.

Q. Commencing in Buchanan's time and coming up to the present time?—A. Yes, sir.

Q. For what purpose were you about Washington in the first place? Was it for the same purpose that you have been about here subsequently?—A. Yes, sir; just the same.

Q. When did you commence making the acquaintance of members of Congress in position in the Post-Office Department and other Departments? Was it prior to 1860?—A. Yes, sir; I have always been cultivating the acquaintance of the class of men of whom you speak.

Q. Then your practice has been uniformly to render yourself pleasant from the time that you commenced prior to 1860 to the present time?—A. Yes, sir; I have endeavored to. I used to be a politician and learned that then.

Q. Who was Postmaster-General when you first commenced contracting?—A. I do not remember; it was the Postmaster-General under Buchanan.

Q. Did you ever make the acquaintance of Buchanan's Postmaster-General?—A. Horatio King was the last one under Buchanan. I was very well acquainted with him.

Q. Were you acquainted with him while he was in the Department?—A. Yes, sir.

Q. Did you frequently see him to have conversation with him?—A. Yes, sir; I have ever since.

Q. Were you acquainted with the First and Second Assistant Postmasters-General during

that time, whoever they may have been?—A. I had not as much intercourse at that time with them, because my business was not as large; after we got those contracts in the Territories my business led me to be here more.

Q. Were you ever in the Post-Office Department building prior to 1860?—A. Yes, sir.

Q. Had you business about there, such as drawing your pay, &c.?—A. Yes, sir, as I have done since.

Q. Were you acquainted with some of the clerks?—A. Yes, sir, always.

Q. Did you make it a point to become acquainted with them?—A. Yes, sir, and to try to make myself agreeable to them, as I always do with all men with whom I have done business. I have always been pretty successful, too, in that respect.

Q. Did you ever pay any money to any post-office official prior to 1860?—A. No, sir; I do not think I did.

Q. Have you ever paid any money or valuable thing to any post-office official since 1860, directly or indirectly?—A. No, sir; I have not.

Q. Then I understand from you that, so far as the payment of money or the giving of presents or other valuable things from the time that you commenced contracting under James Buchanan's administration to the present time to parties holding official position, or any person for them inside of the Post-Office Department, that you have not done it?—A. No, sir.

Q. Nor any of your firm, to your knowledge?—A. No, sir; none of my firm have to my knowledge.

Q. In your experience as a contractor and as a business man, as I understand that you have done a great deal of this business, amounting to many millions of dollars, state if you have noticed that public opinion is manufactured by newspapers which are largely controlled by correspondents at Washington, and by parties some of them meritorious, and some of them soldiers of fortune who are lobbyists about Washington—as to whether or not they have much to do with the manufacture of public opinion?—A. I think that they pretty much control it.

Q. State, as to the moneys you have spent in Washington from the time you commenced contracting to the present time, as a matter of fact, whether they were spent upon these parties and for the purpose of controlling them, to manufacture public opinion, or whether they were spent for the purpose of directly influencing the action of some person or persons in the Post-Office Department.—A. I never have spent much money on the newspapers, for my business was not of such a character as to require it.

Q. I am not speaking of newspapers alone, but I am speaking of parties who are about Washington.—A. Yes, sir; it was.

Q. It was spent to affect them in their attacks upon you?—A. Yes, sir.

Q. Or was it spent to affect the officers of the Post-Office Department improperly? Which was it?—A. I never spent any money to produce any improper influence upon any officers of the Post-Office Department, and it never was necessary; but I was subject to constant attacks, and often controversies with rival contractors, and sometimes mail-service necessarily conflicts with others who have mail-service; people are trying to shift routes, in order to accommodate their own purposes; try to get them curtailed or to get their service improved, or to change in some way, so as to affect somebody else's routes. I have had that to contend with, and I have been obliged to expend a great deal of money in warding off the attempts which were made to injure my business. I have been obliged to spend a good deal of money in that way, and have done it. It commenced long ago.

Q. Now, to come down to the investigation of 1872, under what is known as the McKibben resolution, have you ever examined the evidence that was given on that occasion?—A. Colonel McKibben this morning gave me a copy of the report. I never have examined the evidence. I knew, of course, what the evidence must necessarily have been in all the cases where I was interested myself, as I knew it was not possible for anybody to find any evidence that there was any fraud or wrong about my service, which I was connected with, and that was sufficient for me.

Q. State what it was that you feared from the result of that investigation, and which you attempted to ward off.—A. I had what I thought was good reason to believe that there was a conspiracy formed by some parties who were at the time in the Post-Office Department, and some who had been in the Post-Office Department and were out, and some parties who had never had anything to do with the Post-Office Department and were outside, but who had been in the habit of bidding. There was a conspiracy formed to levy black-mail upon me, and to break up my contracts if they possibly could. I had legal advice in reference to the situation, as to whether I was liable to receive any injury or whether any legal injury could possibly result—whether I was in any legal danger. I got Judge Paschal to examine the whole subject and give me his written opinion about it, which he did. That opinion was, that I was not in danger of their accomplishing any injury; but he said it was a mere question of policy whether I should silence these fellows by giving them some money or whether I should go in and have a fight.

By the CHAIRMAN:

Q. State the names of those parties.—A. I do not know the names. I gave the names as well as I could the other day. Mr. McKibben could, probably, tell you more about who the parties were than I could. I never asked him who they were.

By Mr. CANNON :

Q. Who in the Post-Office Department was in this conspiracy?—A. I do not really know. I have no knowledge of anybody who was in the Post-Office Department who was in it, but it was represented to me that there were parties in the Department in it.

Q. Who made that representation? Did Farrar?—A. Yes, sir.

Q. Did you have it from anybody in the Post-Office Department?—A. No, sir, I did not; it was parties pretty low down, anyhow, I supposed from his representations.

Q. What do mean by that?—A. I mean low in position.

Q. Do you mean clerks?—A. Yes, sir; clerks.

Q. Do you know whether Farrar told you the truth about this, or told you a lie for the purpose of making an impression upon your mind that the conspiracy was formidable, to get money out of you?—A. I had the impression, because he showed me statements which were transcripts of the records of the Department, which satisfied me they had some means of getting them which was rather unusual.

Q. Were they not public records?—A. Yes, sir; they were public records. Anybody could go and get them, but I could not find out who did get them.

Q. Yet anybody had a right to them, had they not?—A. Yes, sir; there was nothing there but what anybody had a right to, but they were picking up the same information which was disclosed here before the committee.

Q. I understand from your evidence you had just bought the stock upon the Oroville and Portland route of a man named Jesse D. Carr?—A. I bought the stock on the Kelton and Dalles route, and some others, of a man named Lockwood.

Q. How much did you have in the stocks of those roads?—A. We bought at over \$380,000—somewhere between \$350,000 and \$400,000 for the stock.

Q. What was the value of your stock on the western routes in the Territories at that time, as near as you can remember? Lump it.—A. Probably over \$500,000.

Q. I suppose for anything else except for the mail-service that the stock, and coaches, and stations, and all matters connected therewith are not of any great value?—A. They are of very little value if your contracts are taken from you.

Q. The Postmaster-General had a discretion, under the law, at that time to cut down the service or even to annul contracts, did he not?—A. Yes, sir; by allowing one month's pay he had power to annul contracts.

Q. The cutting down of the service materially, or the annulling of contracts, I gather from your evidence, would have been disastrous to contractors holding this large amount of stock?—A. It would have been ruinous to us.

Q. Colonel McKibben had some knowledge about mail-contracts, had he not?—A. Yes, sir.

Q. He had some experience, and knew something of the magnitude of your operations?—A. Yes, sir.

Q. This man Farrar also had some knowledge?—A. Yes, sir; I think they were both bidders on the routes in Sawyer's section.

Q. They had knowledge enough to understand the effect that the decrease or the cutting off would have upon you after you had invested your capital in the stock?—A. Yes, sir. This man Lockwood, I learned afterward, was one of the principal managers of the conspiracy.

Q. Lockwood was representing himself as your friend in this matter?—A. Yes, sir; I thought he was.

Q. He was advising you to accede to Farrar's terms?—A. Yes, sir; and I have no doubt he received some of the money.

Q. You subsequently ascertained that he was in the combination?—A. Yes, sir.

Q. As to the \$40,000 in round numbers that was paid to Farrar, state whether it was for the purpose of bribing any member of Congress or anybody in the Post-Office Department, or whether it was not paid to him for the purpose of shutting the mouths of these men who were making war upon you, from the fear that they might manufacture that kind of a case in Congress, or that kind of public opinion, that would cause unfavorable action to you by the Department in cutting off your routes and decreasing your service?—A. It was paid for that purpose. I never supposed a dollar of it would go to anybody except to these fellows who were manufacturing this public opinion, stimulating these newspaper articles which were published all over the country. I never expected a dollar of it would go to anybody in any official position, and never had the least idea that it did, and they never pretended that it did.

Q. Were all the facts in reference to your bids upon the contracts and the recommendations upon which service was increased matters of record in the Post-Office Department?—A. They were all matters of record. There never was anything brought to bear by me, or those interested with me, that I know of or believe, except what is a matter of record.

Q. State whether you had any conversation yourself with McKibben prior to the investigation, or pending the same, touching the pressing of this charge by him before the committee or otherwise.—A. I do not think that I did. I had considerable talk with Mr. Farrar, and, I think, with Mr. Huntley, and I think that Mr. Huntley went to see McKibben to ascertain if he could not employ him; and he declined, as I understood, to be employed,

saying that he had made the charges, and he felt in honor bound to sustain them. He went to him to employ him.

Q. What did you understand from Mr. Farrar as to Mr. McKibben being in this combination and making this war upon you, and as to his being affected in any way by the payment of this money? I am asking you now as to Farrar's representations; I am not asking you as to what McKibben did or did not do.—A. He thought he could influence and to some extent control McKibben, but I do not know that he did. I guess he tried to do the best he could.

Q. That is one of the representations upon which you paid the \$40,000?—A. Yes, sir.

Q. At the time that you paid the \$40,000 you supposed that McKibben was in the ring, so to speak, for the purpose of getting a portion of the money; that is, you supposed so from Farrar's reports?—A. Mr. McKibben has been my counsel ever since.

Q. Yes, I know that; but judging from Farrar's reports, state whether you supposed that McKibben along with Farrar and others would let up?—A. I expected from Farrar's representations that the investigation would not be pushed in any direction—that is, that they would not push it if they could prevent it—he would not if it could be prevented push it in any direction which would annoy or disturb me or give me any trouble or vexation, or that would render it necessary for me to expend any time about it.

Q. Did you expect by that or did Mr. Farrar represent by that that he would suppress any facts that were in existence in reference to this matter?—A. No, sir.

Q. Then from your stand-point, if I get it correctly, and from Farrar's representations, the only effect, as you understood it, of the use of this \$40,000 was to call off this combination which was hounding you, and which, according to your theory, got up this thing for the purpose of black-mailing you?—A. That is what I expected from it. I never expected that they would influence the committee at all. I expected to call off the hounds. It was blood-money, as we call it, and if they got that they would be satisfied.

Q. I believe you have already stated that Farrar represented that he was satisfied that he could affect McKibben as well as others?—A. He thought he could. I do not know whether he could or not. McKibben took his own course about the business.

Q. There was a lull in the war after you paid the money, was there not?—A. Yes; they were always happy; there were no more patriotic outbursts about the frauds in the Post-Office Department.

Q. Newspaper articles were not quite so plenty, were they, afterward?—A. No, sir; they were not at all; I did not hear anything more of it.

Q. Is Mr. McKibben a lawyer?—A. Yes, sir.

Q. Is he a pretty good lawyer?—A. Yes, sir; a good lawyer.

Q. Had you ever employed him before?—A. No, sir; I never saw him before.

Q. Then these charges that he fathered, and which were published in the Patriot, upon which this resolution of investigation was founded, resulted in your becoming acquainted with McKibben and employing him as your attorney?—A. Yes, sir.

Q. What have been the nature of the duties which he has performed for you from that time to this?—A. Well, not very arduous.

Q. What has been his pay?—A. It has been pretty good pay.

Q. About how much?—A. He is not a cheap man. I have paid him more than I have anybody else.

Q. How much a year?—A. I guess he has received from it, one way and another, \$40,000 or \$50,000.

Q. From that time to the present time?—A. Yes, sir.

Q. How many lawsuits has he ever brought for you?—A. None at all.

Q. How many legal opinions has he ever given you?—A. Not a great many.

Q. Do you think he has given you \$500 worth?—A. I do not know; that was not exactly what he was employed for. He was to attend to my business as mail-contractor. I thought he was a pretty good hand to keep those fellows off.

Q. Is not this the truth about it, that he had been pretty successful, by writing and procuring to be published the article in the Washington Patriot, in raising this furore?—A. Yes, sir.

Q. Which has cost you \$40,000 to suppress, and you concluded that you had better have him in your pay now, and have no more of that kind of thing, so far as he was concerned?—A. That is exactly it.

Q. In other words, it was hush-money to him more than anything else?—A. Mr. McKibben has been of some service to me in my business. He has been of considerable service to me.

Q. But the principal matter was to keep him from making war?—A. I was satisfied that Mr. McKibben would not be unfaithful to any employment that he had, and I thought that he was a pretty good man to have to checkmate that class of men who had been, as I thought, black-mailing me.

Q. He has not been engaged in getting up any investigation against you to your knowledge since that time, has he?—A. No sir; I always thought that Farrar did not distribute his money to all the conspirators. There was an investigation attempted the very last year.

Q. That was two years ago, was it not?—A. Yes, sir; two years ago. The usual signs

that preceded a storm of that kind were all out, and I made up my mind that I would fight.

Q. What do you mean by the usual signs?—A. I mean the articles, attacks in the newspapers, upon the service and upon ourselves and upon the Post-Office Department. Then came the intimations.

Q. What intimations?—A. Intimations that this man or that some man could be stopped if it was desirable to stop it.

Q. Did these intimations come before this McKibben article was written?—A. Yes, sir.

Q. Who came to you and gave intimations of that kind before the McKibben article was written?—A. Lockwood did.

Q. What did Lockwood say to you?—A. He said they were getting up a combination to break up our contracts.

Q. Who, did he say?—A. He said that certain parties were.

Q. Did he speak of McKibben in that regard?—A. No, sir; I do not think he spoke of McKibben.

Q. Did he speak of Farrar?—A. He spoke of Farrar. He said that there were several other parties engaged with them, and that I had better settle with them and stop it.

Q. What did you do? I am now speaking of the first case.—A. Of course I did not pay much attention to it at first.

Q. You did not settle?—A. I did not settle. It would be about the next Monday that I would be notified sure that there was going to be a resolution introduced to investigate, and generally on Monday it would come up, somebody would introduce it, and then somebody would object.

Q. Did this intimation come from Lockwood that this conspiracy was being formed by these parties prior to the publication of the article in the Patriot?—A. Yes, sir.

Q. You refused to give anything?—A. Yes, sir.

Q. Did it come to you more than once prior to that time?—A. Yes, sir; frequently.

Q. About how frequently?—A. It seemed to be industriously circulated, so that it was a general rumor that there was going to be an investigation.

Q. About how frequently did Lockwood come to you and want money?—A. Lockwood never asked me for any money; he was a friend of mine.

Q. He recommended that you should give money?—A. Yes, sir.

Q. About how frequently did he come recommending that you should give money to Farrar and this combination before the article in the Patriot?—A. I could not state.

Q. More than once?—A. Yes, sir; we had talked about it several times, and I had telegrams sent to me after I had started to go home. I would make up my mind that I would go home, and would have started and would receive them on the train.

Q. Telegrams from whom?—A. Some parties here saying that I had better come back; that there was trouble brewing.

Q. From Lockwood?—A. I do not remember whom I had them from.

Q. So that you refused prior to the publication of the article in the paper, or up to that time, at least, to pay anything to buy your peace to these men who were engaged in this conspiracy?—A. Yes, sir.

Q. And even after it was published I understand that you refused to pay anything until the resolution was actually introduced and the investigation commenced?—A. Yes, sir.

Q. And in the mean time the effect of the article in the Patriot, which I suppose was published all over the country, and the introduction of the resolution in the House and in the investigation made enough thunder and lightning, so that you thought you had better come down with \$40,000?—A. I thought I had better do it as a matter of policy; it was cheaper to do it than it was to fight it.

Q. State whether it was a part of this understanding with Farrar when it was settled that about \$40,000 was to be paid that McKibben should be employed as your attorney? State whether that was spoken of or whether Farrar had authority to represent that he should be employed?—A. I do not know that there was any understanding with McKibben.

Q. But I am speaking as to Farrar.—A. I think I told Farrar that we should be very glad to employ Mr. McKibben.

Q. That was about the time that you agreed to pay the \$40,000, was it?—A. Yes, sir; about that time.

Q. Did you authorize him to say that to McKibben?—A. I think I did.

Q. What report did he bring to you?—A. I think Mr. Farrar said that McKibben declined to make any arrangement about it as long as the investigation was pending; that is my impression.

Q. Was it understood between you and Farrar, during this investigation or after the investigation was over, you were to employ Mr. McKibben as your attorney?—A. Farrar certainly understood that I would employ him.

Q. How soon after the investigation was over was it before you did, in fact, employ him?—A. It was immediately or very soon after; right off, I think.

Q. And from that time to this you have, probably, paid McKibben \$50,000?—A. No, sir; I do not think that I have from that time to this.

Q. About how much, as near as you can tell; is it \$40,000?—A. No, sir; I think, prob-

ably, I paid him \$25,000. That payment would extend over the last four years. I think it was rather more than that; in fact, I think I have paid him \$30,000. He will be able to state, because he is not, probably, having so many transactions as I am.

Q. Did you pay him in money generally, or checks?—A. I paid him in money some times, and sometimes in checks; sometimes I would give him my note.

Q. There has been no secret since that time that he was your attorney?—A. O, no; there has been no secret about that. Sometimes I would give him my note; he has my note now. He said he wanted some money. I had none to give him, and gave him my note for \$2,500.

Q. Have you thought of anybody else who was in the combination besides Farrar and Lockwood?—A. I do not remember anybody now. In fact, I never took much pains to find out who was. I did not think it was of very much consequence.

Q. I now desire to come down to the investigation of two years ago in the Forty-third Congress. I understood you to say a moment ago that prior to the offering of the resolution in that case for an investigation these same kind of intimations came up.—A. Yes, sir; the same premonitory symptoms that there were before; I could tell just as well.

Q. Who suggested to you, if anybody, that some money ought to be paid?—A. I do not remember now who did. I made up my mind that I would not pay any, and publicly proclaimed it.

Q. Did somebody make such suggestions?—A. Yes, sir; the suggestion was made.

Q. Before the resolution was offered?—A. Yes, sir.

Q. Do you know who furnished the information upon which this resolution was offered?—A. It was the same old article of two years before; they had got pretty well stereotyped. They have been published as many as half a dozen times, I think.

Q. They have done duty frequently, then?—A. Yes, sir; they have done duty frequently; and two years ago they took the same old documents and published them again.

Q. Who was in the conspiracy the last time, if it was a conspiracy?—A. I do not know of anybody. I took but little pains about it. I made up my mind that I should not pay any more money any way in that manner.

Q. Did you pay any money during that investigation?—A. Yes, sir; I employed counsel. I employed Judge Black and Judge Paschal. I gave them each a retainer of \$1,000.

Q. Did you pay any more money pending that investigation?—A. Yes, sir; I think very likely I did.

Q. To whom?—A. I do not think I disbursed any money myself, but I gave McKibben money to do what he chose with.

Q. How much did you give to McKibben?—A. I do not know. I guess I gave him several thousand dollars.

Q. Several thousand dollars during the investigation of 1874?—A. Yes, sir; perhaps \$2,000.

Q. Why was that? As a fee to him, or money to use?—A. It was money to use.

Q. Do you know how he used it?—A. I do not.

Q. Did he ever report to you how he used it?—A. Yes, sir; I think he told me that he had used it.

Q. Did he say whom he had used it with?—A. I think he did.

Q. Who was it?—A. I could not state; I do not recollect. He did not use it in any improper manner, and never represented that he did. I do not know that I can tell how he used any of it. He can state that himself; it was used to fight; it was not used to pay anybody.

Q. This last time have there been any efforts made to get money out of you by anybody? I mean in this investigation.—A. I cannot say that there has; I do not think that there has. I think that this is for other purposes; I do not think it is for raising money.

Q. Have you been approached by anybody to get money out of you; and, if so, by whom?—A. I have not.

Q. You first made the acquaintance of Morgan L. Smith, I believe, as you stated, about 1868.—A. I made his acquaintance previous to the inauguration of President Grant, either at the close of 1868 or the commencement of 1869.

Q. I believe you stated that you brought a letter of introduction from Judge Beckwith of Chicago, Ill., to him?—A. Judge Beckwith was here before the inauguration. He is one of the leading politicians or leading men in Illinois. He told me what was going to be done here with reference to the changes in the administration. He told me that Mr. McClelland was going out and that Mr. Giles A. Smith was going to be appointed. Mr. McClelland was the former Second Assistant Postmaster-General. I regretted his going out very much, and was sorry that there was going to be any change.

Q. Why were you sorry?—A. Because Mr. McClelland was as excellent a man as ever lived. I felt very badly about it, and told Mr. McClelland that he was going to be removed. Judge Beckwith said that Mr. Smith was going to be appointed, and, said he, "I am very well acquainted with him, and I will give you a letter to him." He did so. I made the acquaintance of Morgan L. Smith I cannot say exactly how; he was here in town.

Q. How long had McClelland been Second Assistant Postmaster-General?—A. He was appointed by Lincoln, I think.

Q. He had been Second Assistant then for several years?—A. Yes, sir; he had been there quite a number of years.

Q. He was a man whom you knew very well?—A. Very well indeed; I was very intimate with him. I was frequently in the Post-Office Department with him and at his house.

Q. I understood you to say that you understood Mr. Creswell was going to be appointed Postmaster-General, and that you had understood his intention was to cut down the service on many routes and discontinue it on the other hand in the Territories.—A. Yes, sir; I did.

Q. On those routes of yours, the Oroville and Portland and the Kelton and The Dallas routes?—A. We had not those at that time. We had not, except the route from Denver and from Mesilla west; that was the Santa Fé route, the El Paso route, and the Mesilla route.

Q. The service then had been placed on those routes as you desired to have it while Mr. McClelland was Second Assistant Postmaster-General?—A. Yes, sir; and Mr. Randall was Postmaster-General.

Q. How often was service on the Mesilla or Los Angeles route?—A. Three times a week.

Q. In the next lettings Mr. Creswell did cut that down?—A. Yes, sir; in the advertisement that he prepared it was advertised for once a week service and proposals for twice a week advertised.

Q. Did he cut down some of the other routes?—A. He cut down some of the routes in Arizona and reduced them a great deal.

Q. Some that you had?—A. No, sir.

Q. You had the Mesilla and Los Angeles route?—A. He did not reduce the service on that for the balance of the term. He cut down some other routes but not ours; but when he re-advertised he advertised for less service than there was on it before.

Q. When the service was increased and placed on these various routes in McClelland's time, when Randall was Postmaster-General, or prior thereto, how was it done? Upon what representation?—A. On the Santa Fé route and on the El Paso route the service was increased on the recommendation of the entire delegation, I think, from Missouri and Kansas and the Delegates from Colorado and New Mexico.

Q. State where the service has been increased since 1868 upon your routes, whether it was done upon the mere motion of the Postmaster-General, at your request, or whether it was done upon petition ordinarily of citizens and representations of United States officials, Senators, members, and Delegates.—A. I never had any service increased upon my request. That was always done upon the petition of the citizens and the recommendation of the Senators and Representatives of the country through which the route passed, or adjacent thereto.

Q. I think you stated that service was sometimes increased when it was not profitable to the contractor, in cases where the passenger-traffic was not good and the mail-pay did not compensate?—A. That is frequently the case. I do not know of any instance where it has been done in our business where it has been of any loss to us from the increased service, but sometimes it is of very questionable advantage.

Q. Then it was not always increased, even upon your desire?—A. No, sir; not always; there was an increase of expedition upon the Portland and Oroville route that was decidedly to our disadvantage. The compensation that we received for the expedition was never as much as it cost us to do it; it has been a damage to us. That was an increased expedition; it was not any additional trip, but we were required to perform it in a shorter time; the expense, however, for the performance of the service was more than we received in the way of compensation.

Q. State whether while Morgan L. Smith was in Washington, and during the time that you loaned him or paid to him this money, he had a good many schemes before Congress?—

A. Yes, sir; he represented to me that he had a great many claims before Congress, and before the Departments, and the Court of Claims, in which he was interested.

Q. Was he a man of extravagant habits?—A. Yes, sir; very.

Q. Had he a great many acquaintances?—A. Yes, sir.

Q. Do you recollect whether he kept house or not?—A. He did; he kept house for some time in Baltimore before he came here, and he had a very finely-furnished house here.

Q. Did he have his family here?—A. Yes, sir.

Q. State as to whether he entertained a great deal or not.—A. He did, I understood. I never was at his house at any entertainment, but I understood that he entertained a great deal. The last entertainment that he gave was about the time of the marriage of General Sherman's daughter; he was quite an intimate friend of General Sherman's family, and I believe they thought very well of him. General Sherman and Archbishop Purcell and several members of the Cabinet were there, and other distinguished persons.

By Mr. McMAHON:

Q. Postmaster-General Jewell was there sometimes, was he not?—A. I was not there to see.

By Mr. CANNON :

Q. He entertained gentlemen, as I understand it, distinguished men, and some who were not as distinguished, of all parties?—A. Yes, sir, of all parties; he was a very pleasant genial, gentlemanly man. I think he originated in Ohio; he raised a regiment in Saint Louis.

Q. He had lived in Illinois, I believe, had he not?—A. Yes, sir; I think so; in short, I believe that almost everybody visited him there. He was a frequenter at all places where they had good entertainments.

Q. What was his business? Was he a kind of claim-agent and lobbyist?—A. I think his business was as a claim-agent, lobbyist, and promoter of claims which were here before Congress, and any other claims that arose, the sale of property in mines, and all such things as that.

Q. I understand from your evidence that there never was any agreement that you should pay him any stated sum?—A. No; there never was.

Q. If I understand your evidence properly, the way he happened to get this money was that some months after you got acquainted with him he came to you and expressed a desire to borrow?—A. Yes, sir; that was the commencement of it.

Q. How was it from that time on; was it in the shape of loans nominally?—A. It was in the shape of loans. He wanted some money; he was always short of money. I never could see exactly, but I had the impression that it cost him a great deal to live, and that he was embarrassed; he seemed to be sometimes very much pressed for money, but I never made much inquiry about it.

Q. State whether he ever represented that he would exercise or could exercise influence with Giles A. Smith, the Second Assistant Postmaster-General, in your favor.—A. No, sir; he never did, and I never asked him to.

Q. Was any intimation or suggestion of that kind made by either him or you?—A. No, sir.

Q. Did he ever make any statement that he paid any portion of this money to Giles A. Smith?—A. No, sir; and I never supposed that he did. I supposed that he needed it all himself, and more too.

Q. Do you know of his going to Giles A. Smith in your favor?—A. I think that he talked to Smith about the cutting down of the service at the close of the former contract.

Q. That was in 1870?—A. That was previous to 1870. I think he talked with him about that.

Q. It was in relation to the advertisements for the lettings in 1870?—A. No, sir; it was at the time that Mr. Creswell came in and Giles A. Smith.

Q. At the commencing of Creswell's term?—A. Yes, sir.

Q. You think that he talked with Giles A. Smith about cutting down your service, or rather about not cutting it down?—A. Yes, sir; I think he did.

Q. Were you present at the conversation?—A. No, sir.

Q. Then you get the idea that he talked with him from Morgan L. Smith?—A. Morgan L. Smith. I talked with Giles A. Smith about it. I went into the Department as anybody would and talked to him about it, and I put in some papers in reference to it—an argument against it. I had heard that it was going to be done. I put in such papers and remonstrances of Senators and Representatives as I could get.

Q. Then the knowledge that you have of Morgan L. Smith talking to Giles A. Smith in reference to that matter is from Morgan L. Smith alone?—A. Yes, sir; I don't think that Giles A. Smith ever referred to him in connection with any business matters whatever.

Q. Of course, as to whether he did or not would depend upon whether he told the truth or not.—A. Yes, sir; I had no doubt that if he could do me any service at any time he would do it. But the service was not any more under Mr. Creswell's administration than it had been before, except one trip a week. It was made daily service instead of six trips.

Q. On what route was that?—A. I think that the Idaho service was increased one trip a week, but the service south remained just the same.

Q. On what kind of recommendations was that increased; was it upon your request or upon a demand of Delegates, members, and Senators?—A. The request and demand of the Delegates and Representatives from that section of the country.

Q. You speak of employing George Earle as your attorney. I believe that you stated that there was no secret about that.—A. There was no secret about it at all.

Q. Did he ever represent that he had any influence with the Postmaster General?—A. No, sir, he did not; on the contrary, he told me, after the explosion of the Chorpenning claim for which he was attorney, that Mr. Creswell requested him not to practice or bring any cases to him in the Department any more.

Q. Do you know of any improper influence that he exerted or attempted to exert in the Department?—A. No, sir, I do not; and I never thought he did. As I have said before, almost all of our service was of an important character; we thought so, and the people among whom it was done thought so, and they and their Representatives demanded all that we wanted to do, and we did not have to use any influence to get it.

Q. I believe you stated that you never paid him a very large amount of money?—A. I never paid him any very large amount.

Q. Now, in relation to straw-bidding, I think you have stated here, before in your examination, that the straw-bidding was not all done by responsible contractors?—A. I think very little of it is done by the contractors; it is mostly done by people who expect to make some money in selling out their bids to contractors.

Q. Are they men not able to perform the service?—A. Men not able to perform the service, and who never expect to; these men put in a straw-bid at the bottom, and hold that there, so that they can relieve themselves of any responsibility to the Department by the lowest bidder, and then they still hold themselves in the position, under the law, to enable them to keep it uncertain up to the last moment who is going to have it. In short, they put their own bids into market.

Q. It is a matter that does not cost much?—A. It don't cost anything.

Q. It gives them, then, something to speculate upon?—A. Yes, sir; if they can make some money out of it it is all right, and if they cannot it does not cost them anything; they incur no expense. The first time I ever knew or supposed that there was any straw-bidding was eight years ago, on the bidding on the Santa Fé route. We were the lowest bidders on the route, and also on the El Paso route; in fact, on all the routes we were the lowest bidders, and, as we found out afterward, we beat the straw-bids; that is to say, we bid lower than the straws. Some fellows put in straw-bids, but we bid lower and got it in our own names.

Q. Did you perform the service at your bid?—A. Yes, sir; we did during the whole time. We bid one route, as I stated the other day, for a cent a year.

Q. What route was that?—A. It was a route from Kansas City to Fort Scott.

Q. State whether you had other routes upon which the pay did not compensate for the toil?—A. We had some routes where the compensation was too small, but we had some where the compensation was fair; we bid very low. The service was advertised, and always was, previous to that time, for once a week, and we anticipated that, in view of the wants of the country, the war being over, there would be more service required; in fact, we had been doing it for four years, and we believed that the demand would require three-times-a-week service at least, and bid very low for it, and got it.

Q. State whether, generally, on these routes in the Territories and on the Pacific slope, it is practicable to run more than one line of stages on a route?—A. No, sir; I do not think there is any route where the business would justify the running of more than one line. There may be some, but I don't know about any.

Q. State whether this system of straw-bids, since its inception eight years ago, up to the present time, has been a source of profit to you or not.—A. It has been a very great damage to us. It is one of the evils that contractors—men who have stock on the road—are subject to, and they suffer a great deal, pecuniarily and otherwise, from it; men who have no ability to put on a service, and never intend to become competitors, in bidding with men who desire to do the service. If the bidding was confined to those who expect to do the service nobody would complain. We should not complain, because if a man underbid us he could buy our stock and pay us a fair price for it and take it; but those fellows who have not got anything are the class who give us trouble. It is a detriment in every way to the service, and is a detriment to us.

Q. Have you ever formed a combination with any person or persons to prevent bidding?—A. Never; I never have anything to do with anything but our own business. I have endeavored to know what the law was, and to live up to it and abide by it.

Mr. CANNON. I offer in evidence joint resolution, approved May 5, 1870, entitled "Joint resolution authorizing the Postmaster-General to prescribe an earlier time for the execution of contracts by accepted bidders, and for other purposes." My object is to follow this up by an examination of this witness, referring to the records of the Post-Office Department, showing what lettings were advertised, and the order of the Department as to the service thereon in relation to routes, about which the witness has been examined at very considerable length by the committee.

The CHAIRMAN. The chair is under the impression that it can be referred to in the testimony of the witness, as such a document or such a section of the postal code, or such a page of the Congressional Record, but it is not necessary to copy it into the testimony. The offer to have it copied is rejected.

By Mr. CANNON:

Q. You are performing service on the Oroville and Portland route?—A. I am.

Mr. CANNON. I offer in evidence certified record of the Post-Office Department concerning the lettings upon the Oroville and Portland route, recommendations upon which same was done, and orders expediting the service; said record being the one used in the examination of 1872. This witness has testified, relying entirely upon his memory, to many things about the Oroville and Portland route, and now that we may have complete knowledge as to what was done on that route, I put in the record certified from the Department.

(Record objected to.)

By Mr. CANNON:

Q. You have been asked by the committee here before, as I understand, in reference to the service upon the Oroville and Portland route and how you obtained the same?—A. I have.

Q. You have also been asked as to what your bid was, and the amount of compensation therefor?—A. Yes, sir.

Q. Did you know John L. Routt?—A. Yes, sir.

Q. He was Second Assistant Postmaster-General, I believe?—A. Yes, sir.

Mr. CANNON. To more fully examine the witness and to show what action was had by the Post-Office Department touching the lettings of the Oroville and Portland route in 1870, and subsequently in expediting the service as well as orders changing the route, I now desire to offer in evidence certified record of the Post-Office Department concerning the lettings upon the Oroville and Portland route, and recommendations upon which same was done, together with orders expediting the service.

Mr. AINSWORTH. I object to that as incompetent, and not proper evidence to be offered during the examination of a witness.

Mr. MCMAHON. I object, because this is a paper certified to by John L. Routt on the 7th day of February, 1872. It was put in evidence before the other investigating committee and is a part of that transaction, and shows nothing that is in the Post-Office Department from 1872 down to this time, and this committee desires to know the entire history of this route, and will call at the proper time for the same to date. If Mr. Cannon desires, we will send for the same.

(Paper excluded for the present.)

The CHAIRMAN. When the examination of the witness is finished, if the gentleman from Illinois desires to offer any certified copy of any paper bearing on the investigation, the decision of the chair will be that it is proper for it to be introduced.

Mr. CANNON. (To witness.) Look at this statement certified to by John L. Routt, Second Assistant Postmaster-General, under date February 7, 1872, purporting to be a transcript from the records of the Post-Office Department concerning the route in question. Read the same, and state whether it contains a correct history of the transactions between the Department and you in reference to that route.

Mr. CANNON. I desire in this connection to state, that I wish that paper read aloud in evidence by the witness, for the purpose of inquiring whether or not it contains a true statement, and if not true, wherein, and for the further purpose of showing what the action of the Post-Office Department was as between the Department and Barlow, and more particularly to examine the witness touching the various matters therein contained.

Mr. AINSWORTH. I object to that, for two reasons: in the first place, this witness is not competent to contradict the certificate of the Post-Office Department; in the second place, it is a certificate which is not to be read in evidence by the witness, but may be referred to him, if it is desired to call his attention to any fact regarding the matters contained therein upon which he has been heretofore examined. I have no objection to the witness reading it over to himself to refresh his recollection.

The CHAIRMAN. I sustain the objection.

Mr. CANNON. I now offer in evidence like certified transcript, showing the connection of the Post-Office Department, on the route from Mesilla to Los Angeles, with the recommendations upon which service was increased or change made, including the biddings and awarding of contracts. This for the purpose of showing what the action of the Department was, and for the purpose of examining the witness in reference to the correctness of the transactions therein detailed.

Mr. AINSWORTH. I object to that as incompetent and improper testimony, during the examination of the witness, no objection being made to the witness referring to same to refresh his recollection.

(Objection sustained.)

Mr. AINSWORTH. (To the witness.) You have stated that you had no understanding or complicity with any person regarding these bids upon the routes, and no understanding that any of them were to be made in your interest.

A. I have not.

Q. State what amount of stock and what means of performing service upon these routes your daughter had at the time she made her bid?—A. My daughter was the proprietor of the stock on the northwest routes, her share of it.

Q. What interest did she own in it?—A. One-third at the time.

Q. One-third of the entire stock which you had in that company?—A. Yes, sir.

Q. And those bids were made by her bona fide and not in your interest?—A. They were made by her bona fide. I assumed the responsibility of them myself; I went on the bid.

Q. Were you not transacting her business entirely at that time?—A. Yes, sir; I was.

Q. Were they not made subject to your control?—A. Undoubtedly, I should control them, as you naturally would expect a parent to control the business of his child.

Q. Where was your daughter residing at that time?—A. She resides with me.

Q. What was her age?—A. She is of lawful age, and more, too.

Q. She had property distinct from yours?—A. Yes, sir; this property was hers.

Q. How came she by it?—A. She inherited some property, and this investment I made in her name for her benefit.

Q. But with the understanding that it was subject to your control?—A. It was subject always to my control. I did just as I pleased with it.

Q. Whenever it was for your interest those bids were not accepted?—A. I always controlled them.

Q. And if not for your interest you rejected them?—A. It was one of those kind of transactions that a parent does for his child without very much understanding about it.

Q. Yes; but it was done with the understanding that if your interests were subserved by not accepting a contract, it would not be accepted?—A. In short, without any understanding at all, I controlled it entirely.

Q. In your own interest?—A. In what I considered her interest and mine,

Q. Yours also?—A. Yes, sir; I do not assume that she exercised any judgment whatever about it.

Q. So that you were acting for the interest of yourself, and handling her interest so as not to prejudice it?—A. Yes, sir; you can appreciate how a thing of that kind is done.

Q. And the other bids, of which you obtained the control, were to be either accepted or rejected, as you saw fit?—A. When I bought, for instance, as I testified yesterday, the bids of Governor Thompson, I bought whatever interest he had and the control of them.

Q. With the understanding that you could either accept or reject, as your interest dictated?—A. I bought his option. I substituted myself for him.

Q. Was it not to be either accepted or rejected, as your interest dictated?—A. I bought of him whatever right or interest he had, so that I could do just as I pleased with it; I could either accept or reject.

Q. As your interest dictated?—A. Yes, sir; I had the clear control, or that is what I expected to have.

Q. Did you buy the interest of any of those parties before the decision of the Department was announced?—A. I don't think I did.

Q. Do you know whether you did or not?—A. I don't remember whether it was before or after. I think it was after the decision was announced, but I would not say positively. I wish to say one thing in reference to the Oroville and Portland route. I had no interest in anybody's bid whatever except my own on that route. I never purchased any and never had any interest in any bid on that route except my own; and I do not suppose anybody connected with me had any interest in any bid except my own.

By Mr. LUTTRELL:

Q. In these lettings of 1870 I understand that you subsequently became the contractor on that Redding and Roseburgh route, or the Oroville and Portland route, which is the same?—A. Yes, sir.

Q. Do you know Theodore Lee?—A. No, sir; I never heard of him, and I don't believe there is any such person in existence.

Q. Do you know John Allman?—A. Yes, sir.

Q. Do you know of your own knowledge, or from hearsay, whether your company, or any member thereof, paid to John Allman any sum of money to withdraw his bid?—A. No, sir; they never did.

Q. Did you or your company have any understanding with any of the bidders named in this list on that route that they should withdraw and receive an interest or compensation?—A. No, sir; we never had any understanding about it. We knew nothing about it, and never had any conversation, that I know of, with any of them. We had no interest and never acquired any in any bid on that route but our own bid, in our own name. At the letting that was the only bid that we put in north of the latitude of Denver on any route whatever, or had anything to do with.

Q. The money that was paid by Mr. Huntley was to the parties at the late letting?—A. Yes, sir; whatever money was paid by anybody, was paid at the last letting. I had nothing to do with it.

Q. The certificates show who paid the money—that there was money paid in buying up those bids?—A. Yes; but we never had anything to do with it at all.

Q. Your company paid no money to the bidders there at the last letting?—A. No, sir.

Q. Carr was the man who had had the route before?—A. Yes, sir; I think at that same letting that Theodore Lee was the lowest bidder on those Idaho routes. I knew nothing about him.

Q. What was your reason for moving your stock and changing your routes from the Trinity Valley route to the Sacramento route?—A. It was represented to me, but of course I never was in that country, and knew nothing about it, that ours was the better route, shorter, and more practicable in all seasons of the year. Certainly, if I had known that there was the opposition to doing it that there was, I should have opposed it as hard as I could.

Q. Then you were deceived in that matter?—A. I was deceived.

Q. By whom?—A. Mr. Hooker, who was our agent out there, was the man whose representations in regard to it we acted upon, and he represented to us that it was the wish of the people who were interested in the speedy carriage of that mail, that a quicker and better route should be found, and that that would be on the Sacramento River. I know nothing about it.

Q. How much money did you receive from the Department for that change of route?—

A. I could not state. My impression is that the various changes there increased the expense to the Department about \$30,000.

Mr. CANNON. I object to that question, for the reason that the record showing what the increase was, has just been ruled out, and that is the best evidence.

The CHAIRMAN. The witness can answer the question whether there is a record of it or not.

The WITNESS. I would state that we received for the service on the Sacramento River route precisely the same per mile that we did on the other, but leaving some service on the old route part of the way three times a week and part once a week, it increased the expense of the whole. There was more service.

By Mr. LUTTRELL:

Q. The question is this: how much did you receive for making the change from one route to the other; was not there a sum allowed you by the Department for making the change?—

A. There was nothing allowed for making the change. We were paid for the service precisely the same sum a mile; that is, we did not receive any bonus for the change. We did not get a dollar more, if they made a correct computation per mile, for the service we performed. It cost more, because we performed more service, going up the Sacramento River, and leaving three times a week on the other road, part of the way; of course, the service was increased.

Q. Were you not carrying the mail three times a week on the Sacramento and seven times a week on the Trinity?—A. No, sir; we were not carrying any mail at all on the Sacramento; we didn't have any route there.

Q. You did not have any contract there?—A. No, sir; there was only once-a-week service there. There was once-a-week service over a portion of it, and, I think, but once a week, but we didn't have it. We had nothing to do with it. The change was a very expensive one to us, and, in its results, has been a very damaging one. It was not a change that I desired to make by any means. It was not made at my instance at all or for my benefit. I would have had no objection to changing it back.

By Mr. CANNON:

Q. What is the full name of this man McKibben, who is your attorney, and who was instrumental in the matter of the investigation of 1872?—A. Joseph C. McKibben.

Q. Is he the man who was formerly member of Congress from California?—A. Yes, sir. I never felt it for my interest to do anything contrary to the wishes of the people. Whatever we did I suppose was done according to their desires.

Mr. SLEMONS. In answer to Mr. Cannon you have stated that Morgan L. Smith was in the habit of giving receptions or levees, at which Cabinet officers and distinguished personages were present?—A. I understand so.

Q. Were you there yourself at any of these entertainments?—A. I never was. I spoke from general and I supposed undisputed information.

Q. Were these receptions of which you speak before or after you furnished or lent him money?—A. He was living in Baltimore in the early part of my acquaintance with him.

Q. At the time he gave these receptions was he here or in Baltimore?—A. Here.

Q. Did you pay him money after these receptions?—A. I paid him money along about the time of them.

Q. After you had heard of these receptions or before?—A. Those receptions, as far as I know, didn't make any difference. He was in need of the money after the receptions generally.

Q. You were not invited to those receptions?—A. I was frequently invited, but I never went; they were altogether too distinguished people for me.

Q. You furnished some of the money, I suppose, to get them up?—A. I do not know whether I did. I presume I did.

Adjourned till 10 a. m. to-morrow morning

WASHINGTON, D. C., March 22, 1876.

JOSEPH C. MCKIBBEN sworn and examined.

By Mr. McMAHON:

Question. State your residence.—Answer. My present residence is in Philadelphia, if I have any residence at all. I am *in transitu*.

Q. What is your profession?—A. I am a lawyer by profession; more latterly a lawyer and contractor.

Q. Have you been a mail-contractor long?—A. Not for several years past. There are two contracts that are carried in my name now; they are held for other parties.

Q. Were you a contractor in 1870?—A. I am not absolutely certain, but I think possibly I was.

Q. On what mail-route did you make bids in other persons' names, or in your own?—A. I was a contractor on a single route—an ocean-route from New Orleans to Key West, by way of the Eastern Gulf ports; but I lost that contract. I was then a bidder upon the routes that were advertised in 1871 for the Southwest generally.

Q. Were those in your own name or in the names of other parties?—A. In the names of other parties.

Q. Did you get any contracts under those bids?—A. I did not.

Q. State how you failed. Give a detailed history of the system that was in operation at that time. I understand you made it somewhat of a study at that time?—A. Yes, sir. I think a more complete statement than I could possibly give is in the hands of one of the committee—the original publication in regard to it.

Q. Do you mean the article published in the Patriot?—A. Yes, sir; I was a bidder, and the reason that I did not get the route arose from the fact that the Postmaster-General awarded the contract to what proved to be failing bidders, and they were then temporarily let to the old contractor, at the old contract-price. I was a bidder a second time with the same result.

Q. State, in that connection, whether your bid was a bid between that of the failing contractor and the price at which it was carried temporarily?—A. Yes, sir.

Q. Do you remember how much difference there was?—A. No, sir; I think the bids upon which the contracts were all awarded were small, nominal bids, from one to two or three thousand dollars. And I do not think that in any bids that we made we bid less than from \$20,000 to \$35,000.

Q. What we want to know is, how much less your bid was than the price at which the old contractor was performing the service.—A. On the route from San Antonio to Eagle Pass, in which I was interested, the temporary service cost \$17,600; the rejected bid was \$10,700; San Antonio to Fort Concho, the temporary service was \$63,730; the rejected bid in which I was interested was \$22,900; on the route from Fort Concho to El Paso, temporary service, \$81,706; and the rejected bid in which I was interested, \$49,500; route from Fort Concho to Fort Arbuckle, the cost of the temporary service was \$44,225, and the rejected bid, \$29,000.

Q. After your first bid and the putting on of temporary service how soon was there a second advertisement for those routes?—A. I do not recollect the exact time, after the failure of the bidders upon which service was re-advertised, but I think it was to take effect six months after the time fixed for the commencement of the current letting.

Q. The temporary service would be about six months, then?—A. Yes, sir; my impression is, though I have not refreshed my memory on this, but I got this from my old report—my impression is that the third advertisement of the routes was made before they were let, with the temporary service retained for one year.

Q. What was the result of the second bid?—A. The same. It was awarded to nominal bidders. They are usually termed straw-bids, and all the intermediate bidders, of which there were generally from twenty to thirty, or rather all bidders above that straw-bid, were rejected.

Q. The Postmaster-General accepted the bid of the lowest party and refused, then, to go up the scale?—A. Yes, sir.

Q. And considered that there was no proposal for a contract, and made a contract for temporary service?—A. Yes, sir.

Q. How long did that service last—the same period, six months?—A. Yes, sir.

Q. Was it advertised again?—A. I believe there was the third advertisement of the route.

Q. What became of those routes; do you know?—A. My impression is that before the letting of those routes, or about the time of the letting—I think probably just immediately before the letting—there was an amendment to the post-office law passed both houses of Congress enabling the Postmaster-General to select from the highest bidders.

Q. Did you bid under the third advertisement?—A. Yes, sir; under them all. Under the third advertisement there were a number of bids in my own name.

Q. The contract, then, was awarded to whom, on those routes you bid on?—A. I think that they were, in every case, awarded to Mr. Sawyer, or his representative, who was a contractor, and the contractor for temporary service.

Q. And taken by them at their regular bids?—A. No, sir; I think that they were taken at about one-fourth less than the amount paid to them for the temporary service.

Q. I say at their regular bids, however, under the advertisement?—A. Yes, sir.

Q. Do you know anything about contractors buying off intermediate bidders under this new system, that is, when the Postmaster-General goes up the scale?—A. Yes, sir; I believe, as I stated, that it had been the uniform practice at the time that I made this publication, and has been the practice since.

Q. Your failure in these matters led you to adopt what course?—A. To examine into the whole mode of letting contracts by the Postmaster-General, and the letting of nearly all those contracts to certain combinations.

Q. What was your experience as to whom the straw-bids benefited?—A. As I testified before a former committee, it could not inure possibly to the advantage of any one except the party in possession of the routes.

Q. Especially under that ruling?—A. Yes, sir; or even without it, because no party who had not stock upon the route would put in a bid simply for the purpose of failing. That is, I argue that men rarely do things without a reason.

Q. You did, I understand, publish, or cause to be published, certain specific charges in a newspaper?—A. Yes, sir; I was the author of several publications. The last, and the one that called forth the investigation of 1872, I wrote and published myself, after I had thoroughly familiarized myself with the whole matter. That was published on the 8th January, 1872.

Q. Was that publication made the basis upon which the investigation of 1872 was ordered?—A. I presume it was. The investigation was not had as I proposed it when I made the publication.

Q. The first witness called was the editor of the Patriot at that time?—A. Yes, sir.

Q. And you were the second?—A. Yes, sir.

Q. Can you remember, or state from any papers you have, the particular routes you designated as being improperly let?—A. Yes, sir; in that particular paper I have designated all the Texas routes. Out of the northwestern routes, with which I was not so familiar, and upon which I had never been a bidder, I selected three or four leading routes for examination by the committee. One was the route from Portland to Oroville, on which the Department was paying a compensation at that time of nearly \$150,000 per annum; the route from Kelton to The Dalles, for which service the Department was paying, I think, about \$230,000 per annum; and the route from Missoula to Walla-Walla, upon which the Department was paying for services about \$72,000. I also selected another class of routes, and one of them notably the route from New Orleans to Shreveport, which was a steamboat or water route.

Q. One of the Peterson routes?—A. Peterson was the contractor at that time, I know.

Q. Your publication, as I understand, pointed to these different matters?—A. The publication was as full and complete as I could possibly make it. I made the most diligent inquiry, procuring all the information I could, and at times paying for records out of the Post-Office Department.

Q. What prompted you to make this publication?—A. I was prompted to make the publication from the result of the bidding, and also from the same result happening to other parties, friends of mine. I had lost the route by the Gulf of Mexico, upon which I had been doing service for the Post-Office and Quartermaster's Departments. I had no money, and I wanted to go in on these Texas routes.

Q. In other words, your interest prompted you to do it?—A. My interest prompted me to do it. I found that under the practice of the Post-Office Department it was utterly impossible to get a contract out of it. At least, it proved so in my case and that of Mr. Lockwood, who was interested with me in the bids.

An extract from the Daily Patriot, of Washington, D. C., dated January 8, 1872, was put in evidence, as follows:

Postal plunder—The Creswell system—Robbing the Government of millions through postal contracts—How the old thing works—The mysterious legerdemain of the Post-Office Department—Creswell's responsibility for monstrous robberies—Straw-bids at an immense premium—Collusion with contractors for mutual benefit—The system concealed as long as possible—Creswell's favoritism to his friends—Attempts to impose upon the credulity of Congress and the country—Deliberate violations of law—Desperate attempt of Mr. Creswell to screen himself behind the Attorney-General—How steamboat service is managed—Chapter first of the history of plunder.

In the editorial columns of the Patriot, on the 15th of July last, under the caption of "Straw-bids," public attention was for the first time attracted to a system of bidding for postal contracts, which having been inaugurated and perfected under the present administration of the Post-Office Department, has been properly designated as

"THE CRESWELL SYSTEM,"

in honor of the distinguished chief who presides over and directs an organization, embracing within its folds many of his subordinate employes down to the local postmaster, who provides the fraudulent certificates, and through whose common agency, by a vast system of

COLLUSION WITH CONTRACTORS

for their mutual benefit, the Government is robbed on a colossal scale, and all done under the form and in the name of the law.

THE STRAW-BID SYSTEM CONCEALED AS LONG AS POSSIBLE.

By examining the reports of the Postmaster-General for the years 1869-'70, and 1870-'71, we find no allusion to what, in his late report, he terms "Straw-bids," and if the pestilent

practice of clogging the contract-office with fraudulent proposals for service did exist at that time, it was carefully concealed from Congress and the country. If it did not exist, how

FRIGHTFULLY ROTTEN AND CORRUPT

must be the Department under whose fostering care such an enormous abuse has grown up in the short period of twelve months, resulting in the exclusion of all competition for the mail-service, and from 20 to 75 per cent. added on the cost of transportation on all important mail-routes. But we affirm that the practice did exist, and that the Postmaster-General did conceal it, and the shameful condition of the postal service, presented in his late annual report, would have again been suppressed had not indignant and outraged contractors applied to distinguished counsel, and appealed to the press, and made his complicity with these frauds so public that he at last

RELUCTANTLY SHELTERED HIMSELF UNDER THE CRY OF "STOP THIEF,"

and spread the results of his administration before Congress, asking for more laws—laws to punish bidders as felons, as if the public gaze could be for a moment averted from, or fail to recognize, the great source of all these abuses.

FIRST INAUGURATION OF A PLUNDERING SYSTEM.

On the 5th of May, 1870, under a joint resolution of the two houses of Congress, the mail-lettings in California, Nevada, and Oregon, and the Territories of Washington, Idaho, Montana, Wyoming, Utah, and Arizona, were taken out of the operation of the general law, and by the provisions of section two of said resolution, the Postmaster-General was authorized to summon before him any bidder whose good faith he had reason to doubt, and upon his failure to immediately contract, then "to contract with the lowest of the bidders who will do so for the performance of the service." Under this unnecessary but apparently fair law was first inaugurated what has since proved to be

A GIGANTIC SYSTEM OF PLUNDERING THE TREASURY,

and, by the nature of the circumstances, must have had both the countenance and assistance of leading officials in the Post-Office Department, and we may venture further and say that the law was enacted to produce the very results that have flowed from it. The organization or

RING WHO SOUGHT TO CONTROL

the transportation of the mails, under this joint resolution, commenced their initiatory movement by placing on file on all the important routes in these States and Territories a series of

STRAW OR FRAUDULENT BIDS,

one of which, being ridiculously low, was absolutely certain to obtain the award, and resulting in a consequent failure to contract. By reason of this failure, and by virtue of the power vested in the Postmaster-General by the said second section, he is supposed to carry out the apparent intent of the law, and to contract with the "next lowest bidder." Innocent legislators who passed the joint resolution authorizing the Postmaster-General to "investigate and adjust the claims of George Chorpenning," need affect no surprise when we affirm that Mr. Creswell has, in almost every instance, contracted with the higher, if not the highest bidder.

HOW THIS RESULT WAS OBTAINED

we will endeavor to explain. The bidding on all postal routes is invariably made known after the entry of the bids in the proper books, and before any award. This would be material and important information to the ring in a case of legitimate bidding, but immaterial for their operations now, as they are secure of an award of service upon their fraudulent bid. An interval of three months after an award made is usually allowed to execute contracts and file proper bonds. The relative status of their bids becomes known to the different *bona-fide* contractors, and they at once discover that they are hemmed in by lower, and also by extravagantly higher bids. Then commences the venal traffic on the part of the ring and their confederates in the Post-Office Department, by which

HUNDREDS OF THOUSANDS OF DOLLARS ARE ANNUALLY STOLEN.

That the Creswell system, as practiced until July last, may be more fully understood, we will attempt its illustration by diagram, taking an intermediate contract figure as a maximum:

Bids of the ring, in the names of different parties.	Bona-fide bids.
\$100,000	
90,000	
80,000	
70,000	
60,000	\$65,000
50,000	55,000
40,000	45,000
30,000	35,000
20,000	25,000
10,000	
(Straw) 1,000	

HOW IT IS DONE.

On all important routes the ring bids are scaled as above, from one thousand, a nominal bid, to one hundred thousand, or more, the real bid. The figures from \$25,000 to \$65,000 will represent the bids of those disconnected with the ring. The straw of one thousand receives the award. The bid at \$10,000 is at once withdrawn, and the contractor who represents the \$25,000 bid, and who has been *summoned to Washington* by virtue of the above section, is approached by one of the confederates, and threatened that if his bid is not withdrawn, the bidder at \$20,000 will take the contract, but that if he will get out of the way, they will give him say \$2,500. The unfortunate dupe of Mr. Creswell's advertisement, seeing no possibility of getting the contract, and, as it often happens, on plunging his hands into his pockets discovers their emptiness, and, perhaps, his inability to reach his home beyond the Mississippi, he accepts the proffer, withdraws his bid, and the ring, thus mount to their \$30,000 bid, and successively, all intermediate bidders,

BY INTIMIDATION AND PURCHASE,

are forced out of the way, and the ring reach their seventy, eighty, and ninety thousand dollar bids, which are withdrawn, the straw-bid proves a failure, and the contract is awarded at \$100,000, the lowest because it is the only remaining bid on file. Possibly the confederates may stop at their \$90,000 bid, to evade scrutiny and create the impression of competition, but such is the substantial practice. The happy allies have jumped from twenty to one hundred thousand dollars; will pocket \$800,00 per annum, which in four years will amount to \$320,000, and all this at an expense not exceeding \$20,000, paid to the intermediate bidders. In this manner most of the important routes in the above States and Territories have been let by the Post-Office Department, and while we profess no accuracy in figures, it is at least safe to say that, in the four years for which these contracts were let, the Treasury will have been

DEPLETED OF AT LEAST TWO MILLIONS OF DOLLARS

over and above the legitimate cost of transporting the mails, and this enormous fund, if there be honor among thieves, would give a million to the post-office officials as their proportion of the spoils.

MR. CRESWELL CLOSES HIS EYES TO THE FACT.

Not one word of complaint is uttered by the Postmaster-General in his annual report of 1870-'71 against this condition of the postal service in the Northwest and West. No insufficiency of the law is charged to protect the Government in these lettings; no allusion to straw-bidders, although a straw accompanied every bid; not even the report of and the dismissal of a local postmaster who has violated his oath of office and sent blank certificates in bulk to be used in Washington; not a case of the dismissal of a contractor, as becomes his duty under section 28 of the act of 1836; not a prosecution of a guarantor, as the law enjoins, under section 4 of the act of 1825; no request that fine and imprisonment should be the penalty of withdrawing a bid, and yet the practice of withdrawing bids was universal in the lettings of 1870, as were other abuses. Have we not said correctly that

HE CONCEALED THESE THINGS FROM CONGRESS

corruptly, and meanly concealed them because his friends were in possession of the contracts? Is it not equally correct that these abuses have been the direct result of

MR. CRESWELL'S FAVORITISM TO HIS FRIENDS,

and could only exist by his permission and agency in giving contracts at figures enormously in excess of the value of the service? Had Mr. Creswell confined contracts to strictly compensating rates, which the law permits him to do, there would be no pecuniary margin with which to purchase subordinate bidders; no temptation to straw the bids as a basis of future bargain and sale, but in honorable and fair competition the legal bidder would have obtained the service.

ANOTHER PAGE IN THE HISTORY.

How far Mr. Creswell's assistance may be expected in regulating abuses, will become manifest from another page in his history, in connection with the mail-lettings in the Southwest. On the 30th of September, 1870, advertisements were issued for the mail-lettings in West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, and Arkansas. Proposals were received, and the Postmaster-General states in his annual report that "under the 24th section of the act of July 2, 1836, contracts were, without exception, awarded to the lowest bidder," and of the awards made in pursuance of this law, one thousand and ninety-five of the most *important* routes were awarded to failing or straw-bidders. He further says, "that suspecting that the bidders who had thus failed were not acting in good faith, and that in many cases they were fictitious, and what are called 'straw-bidders,' the Department on the 19th of July last addressed a letter to the Attorney-General stating the condition of affairs, and asking an authoritative interpretation of the laws as to the power of the Postmaster-General in making contracts for the carrying the mails."

A CONUNDRUM FOR MR. CRESWELL.

It would be well just here to ask why the Postmaster-General did not seek the opinion of the Attorney-General on the 1st day of July, when these failures became officially known to the Department, and the necessity of new service imposed upon him? Why delay until the 19th of July in securing so valuable and necessary an adjunct? By reference to the files of the Patriot of July 15, 1871, we find the following: "He (the Postmaster-General) has announced his intention to readvertise all the lapsed routes, or, in other words, to repeal the costly farce for the profit of those who are in possession of contracts at enormous prices." Here is foreshadowed just what the Attorney-General advised, and what the Postmaster-General carried out. How came the Patriot possessed of the secrets of two Cabinet officials?

HOW IT ALL CAME ABOUT.

In this wise: On or about the 5th day of July, George H. Williams, recently appointed Attorney-General, vice Akerman, counsel for contractors, accompanied by other parties, called at the contract-office, and were officially informed by the acting chief of the contract-office that, by the advice of the Attorney-General, the Department would not contract with any other than the lowest bidder, and that temporary contracts would be made and the service re-advertised. Surprised at so unprecedented a departure from the letter and spirit of the law, as well as the almost immemorial usage of the Post-Office Department, they immediately proceeded to the office of the Attorney-General, in hopes that they might induce him to reconsider his opinion upon a new, full, and impartial presentation of the case.

AKERMAN'S WORD AGAINST CRESWELL'S STATEMENT.

To their utter astonishment they were informed by Mr. Akerman that he had given no opinion on the subject-matter, but from a casual conversation with the Postmaster-General he supposed that certain postal matters would be submitted to him, and when they were so submitted he would notify and hear counsel. A protest was then filed in the Post-Office Department against the unjust and illegal decision of the Postmaster-General; also, a letter from the chief of the contract-office under President Lincoln, certifying to the uniform practice during the eight years he held that office. Ascertaining, through counsel, that the Postmaster-General still adhered to the decision of the contract-office, on the 15th day of July the press was invoked to expose the injustice to contractors, and the attendant plundering of the Treasury by those in possession of the routes and their confederates in the Post-Office Department. The exposure was complete, and his own partisan press did not ven-

ture a word in his defense. Then, and not till then, did the Postmaster-General seek the law-officer of the Government, and whatever may have been, or whatever may be the worth of his opinion, it was procured many days after Mr. Creswell had determined upon and announced the line of action he intended to pursue. In quoting Mr. Akerman's opinion to justify himself to Congress,

HE STOOPS TO A FALSEHOOD,

and introduces an *ex post facto* opinion to excuse knavery, winning, at least, the success sought, for in his report he says: "It will appear that the cost of temporary service is largely in excess of the cost of a like amount of service under the regular contracts which expired on 1st of July last." At least, if high position has been degraded, and good name perfected, it must be consoling to think that the contracts were obtained at higher figures, a consequent bigger division, only the Government robbed, which everybody is robbing, and no penal statute to reach a Cabinet officer. There seems to be some

MYSTERY ABOUT THIS OPINION OF THE ATTORNEY-GENERAL.

The Postmaster-General does not quote a single line of it in his late annual report; and when Mr. Van Trump, a member of the Committee on Post-Offices and Post-Roads, on the day Congress adjourned for the holiday recess, asked the unanimous consent of the House to introduce a resolution requiring the Postmaster-General to furnish the House with a copy of said opinion, as well as certain information upon some of the frauds we are now exposing, a leading Republican (Mr. Poland) objected to the consideration of the resolution, and it had to go over! Did he suspect or understand that Mr. Van Trump was fully posted on these transactions; or what other motive induced him thus to throttle, for the time being, a resolution simply asking for information upon one of the great interests of the country? The Postmaster-General says that contracts were awarded in pursuance of section 24 of the law of 1836, and "without exception to the lowest bidder." Does the Postmaster-General intend further attempts to

IMPOSE ON THE CREDULITY OF CONGRESS AND THE COUNTRY

by awarding contracts under an obsolete law? Did he not know that the act of 1845 has been the governing law in making postal contracts? Section 18 recites: "It shall be the duty of the Postmaster-General in all future lettings of contracts for the transportation of the mails to let the same in every case to the lowest bidder, rendering sufficient guarantees for faithful performance." There can be no other than a willful misconception of this law when it is construed in connection with section 24 of the act of 1836. The addition of the words "sufficient guarantees" in the later act evidently intends, if the law means anything, that the contract should be given, not to the "lowest bid," but the lowest sufficient bid! And on the 1st day of July, 1871, the

IRRESPONSIBLE AND INSUFFICIENT BIDS

should have been disregarded, and the contract given to the lowest bidder tendering sufficient guarantees. Such has heretofore been the uniform interpretation of the law, and such the acknowledged usage of the Post-Office Department. That this contemptible trick may meet with its full and due exposure we have simply to advert to the advertisement for carrying the mails in the above-named States. Extracts of all important postal laws accompany the advertisements for the guidance of bidders. There is no mention in these extracts of section 24 of the act of 1836, while section 18 of the act of 1845 is quoted in full, reciting the duty of the Postmaster-General. But, admitting the legality of all that has been done, what are the results of this first advertisement? Temporary contracts have been made at

PRIVATE AND SECRET LETTINGS.

All competition has been excluded for the general or special service, and when it is known, as it must become known, that the majority of the bidders were willing to take these contracts at less than one-half the old rates, then the public will have some idea of

THE MONSTROUS ROBBERY

that has been perpetrated. What a triumph for two Cabinet officers! But again, new advertisements were issued for this same service on August 4, 1871, and new awards were made on the first noon. With a degree of simplicity and injured innocence that will be fully appreciated by the old investigating committee, Mr. Creswell tells the result in the following paragraph: "I regret, however, to be obliged to say that the bids under the last advertise-

ment are in no respect an improvement on those under the first; only two were awarded to bidders who gave evidence of honesty of purpose." Consequently, one hundred and ninety-three important routes were awarded to those who gave no evidence of honesty of purpose—straw-bidders, representing the old, as also the temporary contractors, and who, by reason of having procured these failures, are again in possession of temporary contracts at private lettings for six months from January 1, 1872. Thus, for twelve months these postal contracts, at an enormous expense, will be kept vibrating between

THE OLD CONTRACTOR AND HIS STRAW.

and the contract-office stands closed until such time as Congress may take action. In the three States of Arkansas, Louisiana, and Texas, alone, the Department is paying nearly eight hundred thousand dollars per annum for this temporary service, and if it can be performed, as we allege, for one-half that amount, it exhibits an open, indefensible robbery of \$400,000 per annum—*ab uno disce omnes*. It is well to remark here that there is neither object nor interest, nor can it inure to the benefit of any one but those in possession of the service, to place a fraudulent bid on file; therefore these

STRAW-BIDDERS ARE NO MYTHS.

They are personally known to all the officials in the Post-Office Department, as well as to all competing contractors; they are the friends of Mr. Creswell, and are to be seen at all times about his office; their headquarters are in Washington—not along the lines of their routes. The working of the machinery compels a residence here—the collection and division of the spoils admits of no absenteeism. These "straw-bidders," on whom Mr. Creswell would apparently now draw the vengeance of the law, daily take him by the hand, and they might congratulate each other on each new piece of successful villany.

MR. CRESWELL'S CULPABILITY.

In view of what has been stated—the rings and their robberies—is there any man in this broad land who believes that John A. J. Creswell has wantonly violated the laws, closed the doors of the contract-office to all competition, squandered the people's moneys, and become the associate of public plunderers without consideration? No such condition of affairs as are now the surroundings of the Post-Office Department ever existed in its previous history. We do know that up to the advent of the present Postmaster-General the laws have been sufficiently ample for all the exigencies of the Post-Office Department, and we are compelled to the conclusion, for reasons that we will give, that Mr. Creswell, in asking more legislation, not only intends new frauds but at the same time hopes to divert public attention from those already committed. Before adverting to other violations of law, we will here examine

THE PROPOSED LEGISLATION

asked by the bills introduced by Mr. Farnsworth and Mr. Kellogg. We do not hold either of these gentlemen responsible for the provisions of their bill, as they simply embody the recommendations of the Postmaster-General in his annual report, and which, before the late adjournment, he personally urged the Postal Committee of the House to have enacted into a hurried law. Sections one, two, and five we will pass over, as their objectionable features were, in a great measure, struck out in committee, and sections seven, eight, and nine Mr. Farnsworth offered to withdraw, that the residue of the bill might be enacted into a law. By section three it is proposed to confer on the Postmaster-General the right "to reject bids for mail-service which shall appear to him fraudulent or fictitious." We do not propose to discuss the character of this power; it might or might not be confided with safety to another officer. We simply protest against its being given to the present Postmaster-General. Does the opening of the penetralia of the Post-Office Department, and the disclosures we have just made and which we are prepared to prove, warrant Congress in permitting him to determine what are fraudulent and fictitious bids? Have we not reason to think that he would find legitimacy with his friends and frauds in the bidding of his enemies? Does the history of the

CRESWELL-CESSNA-CHORPENNING

case point no moral? Can Congress be ignorant of the fact that Mr. Creswell and his friends are universally believed to be prostituting the Post-Office Department for private gain? and scarcely a contractor could be summoned before them who will not give positive evidence of depleted pockets to satisfy these cormorants. Should this section fail to become the law the adroit suggestor of the bill has taken care to embody substantially the same power in the fourth section. We quote the following: "The Postmaster-General shall proceed to contract, on the best obtainable terms, with any responsible party, whether a bidder or not." This is simply power to

CONTRACT WITH ANYBODY WITHOUT RESTRICTION,

and the enactment of these few lines into a law at once overthrows the whole contract system as administered since the organization of the Government. The old-fashioned foggy practice of inviting bids by public advertisement, and thus securing competition, must give way in order that he may

PROVIDE HIS FRIENDS WITH CONTRACTS.

The especial intent of this bill, although it is general in its provisions, and its attempted passage before adjournment for the holidays, was to enable Mr. Creswell to dispose of the 193 important routes in the Southwest; and there can be no reasonable doubt that they would have been given to those whose present possession is in violation of law and usage. Had Mr. Creswell wanted any fair legislation to enable him to let these routes, why did he not give Congress the actual facts?

INFORMATION WITHHELD FROM CONGRESS.

Why did he not report that, in response to each of his advertisements, large numbers of bids were made, and thousands of dollars deposited as security for the good faith of the bidders? Why did he not also tell Congress that these bids averaged from one-half to two-thirds less than he is now paying for the service? Why did he not say that many of these bidders were carrying the mails on other routes, and he was personally cognizant of their ability to perform the service? The truth would not have answered Mr. Creswell's purposes. Congress upon this showing might have so legislated that Mr. Creswell's friends must either abandon the service to other contractors, or accept it at reasonable and compensating rates. We can pass no better judgment on this bill, or better characterize its provisions, than by quoting Mr. Niblack's language:

"TOO MUCH CAT AND TOO LITTLE MEAL."

It may be asked why the Postmaster-General pursued for this, the first time, the unusual practice of locking up the mail service, by confining himself to the lowest or straw bid? We think we have clearly shown that he cannot rest his action on the opinion of the Attorney-General, but it can be explained in the fact that, by operation of

THE CRESWELL SYSTEM,

many contractors were driven out of the Northwest and sought new fields in the Southwest, on which to place their stock and invest their money. The ring found themselves, under the advertisements, confronted with numbers of bidders on all important routes, who would not be driven off, and it would have been too costly an operation to purchase them out of the way, had that been practicable, (a second advertisement under the five-per-cent. law seemed to increase their pertinacity and numbers.) Shall the routes be given up, or shall they be held at all hazards? The genius of Mr. Creswell solves the difficulty; he refuses to recognize the intermediate bidders, adheres to the straw, quotes the law of 1836, and thus the contracts and the money are kept in friendly hands. If this be a correct exposé, does it not behoove

CONGRESS TO PAUSE

before it enacts new laws, and grants new powers to the present Postmaster-General? Would it not be well to ascertain whether the fault that produces such humiliating results exists in the laws themselves or in the administration of the laws? There are other violations of the law and its intent, to which we would now invite attention, and which will not show Mr. Creswell in any improved light.

THE CONTRACT FOR CARRYING THE MAIL FROM OROVILLE, CAL., TO PORTLAND, OREG.

was duly advertised, and should have been awarded to the lowest bid of \$96,000 per annum. The bidder, unfortunately, was not in the confidence of the Postmaster-General, and it became necessary to get rid of him. Mr. Creswell, with a sudden regard for the people's treasure, disregarding the law,

ACCEPTED AN ILLEGAL BUT LOWER BID,

justifying himself on the score that the Department saved some \$10,000. Had this been true, we would, in a measure, be estopped from any comment; but the contract was given to one who failed to put on the service, and the Post-Office Department secured temporary service at \$700 per diem. Again the service was let at

FIGURES FAR IN EXCESS OF THE REJECTED BID,

and another failure of service ensued, and again the Department secured temporary service at \$420 per diem, and at last, through the

MYSTERIOUS LEGERDEMAIN

known to the Post-Office Department, the contract fell into, and is being executed by, friendly parties at \$142,000 per annum. In direct violation of the law, the contract was made, for the whole residue of the service, at a private letting and without advertisement. Thus, after two distinct violations of the law, Mr. Creswell let the service to his confederates, and, by the exclusion of the original legal bidder, at the expiration of the contract, the service will have cost the Government nearly two hundred thousand dollars above the amount of the legal bid; in addition thereto the Oregon and California Railroad have placed in running order nearly three hundred miles of track, and are also compensated for carrying the mails, and which should have superseded the necessity of a larger portion of the old service, but the same figures are paid to the contractors, by transferring service to unnecessary lateral lines.

A FAVORITE MODE OF SWINDLING

under the present Post-Office administration is the uncertainty of the service required. The Department asks for bids for service, say once or twice a week, in the body of the advertisement, and then, in a closing paragraph, invites proposals for six times a week, which is usually disregarded by bidders. It frequently results—as may be illustrated in a recent letting of the route from Monroe to Shreveport, La.—in rejecting the actual service advertised for, but enables the Department to put the contract in friendly hands on the invited service. Should the service be awarded to the proper parties at the minimum rate advertised, then the service is put up to three or six times a week, either being

A MANIFEST FRAUD

on the honest and unsuspecting bidder. This last mode of procedure can also be illustrated by

ANOTHER CASE IN POINT.

The route from Missoula, Montana Territory, to Walla-Walla, Washington Territory, was let at about \$22,000 per annum, but, by increasing the service, the Government is now paying nearly four times that amount. We are informed that so expensive and also so unnecessary was this route, that ignorant of whom were the parties in interest, the special agent of the Post-Office Department recommended its discontinuance. The Montanian, a paper published in Virginia City, gives the following pleasant and graphic account of the service; after stating that four letters per trip would be a large average, it says: "We have made a little calculation of what it costs the people to carry a letter from Montana to Walla-Walla, by way of this route, and find that it amounts to the sum of \$144.23 $\frac{1}{2}$ for each letter so carried." Surely Congress will appreciate this *multum in parvo* description, not of Mr. Creswell's mail service, but of the tenacity with which he adheres to and helps his friends. But this is

NOT AN UNUSUAL STEAL,

as will appear when other and similar service is made public by the resolution of Mr. Wells, of Missouri. Mr. Dawes need not flatter himself that the public moneys are only appropriated through the agency of his committee, and while we give him due praise and honor for saving half a million of the people's money, his liberal coadjutor, in the marble palace on Seventh street, finds other channels and other moneys for disbursement. We will now turn our attention to a little corporation who might feel hurt should we pass them by, for while their operations are not on the grand scale of the vast land-routes west of the Mississippi, there is still great hope that, with *proper facilities*, they will rise to equal eminence, and at least their modesty will not stand in the way of their advancement. We take

FROM THE BOOKS OF THE POST-OFFICE DEPARTMENT

the following summary of steamboat service now in operation under contract to B. H. Peterson, from July 1, 1871, to December 31, 1871:

	Old pay.	Peterson gets.
Vicksburgh to New Orleans.....	\$20,000	\$37,000
Brashear to New Iberia.....	9,000	14,000

	Old pay.	Peterson gets.
New Orleans to Buras.....	\$1,800	\$5,000
" " " Shreveport.....	30,000	29,000
" " " St. Francisville.....	6,400	16,000
St. Martinsville to Opelousas, new service.....		3,120
	67,200	104,620

Peterson was not a bidder on any of the above routes, and there were many responsible bidders below the sums named in his contracts. By the usage of the Post-Office Department Mr. Peterson could not be a contractor. Mr. Creswell's predecessors have always held that they were concluded by their advertisement, and the service, if even temporary, should go to some of the reasonable regular bids. Under section 14 of the act of 1845, the Department is restrained from paying more than the amount paid under the old contract for any steamboat service. Another provision of the same law limits contracts of this kind to, and was especially intended for, the "owners or commanders" of steamboats; and by no implication is the Postmaster-General justified in letting to contract-peddlers. On the route from New Orleans to Shreveport there were fourteen lower bids than Mr. Peterson's, and the old pay could be no criterion for the service, as the contract was let over a year ago to Mr. Peterson at a *private letting*, and at about

TWICE THE VALUE OF THE SERVICE.

Repeated attempts were made to induce Governor Randall, Mr. Creswell's predecessor, to let this service, but he invariably refused, on the ground that it was unnecessary. Saint Francisville is situated on the Mississippi River, about one hundred and ninety miles above New Orleans. The contract at \$16,000 is a mere gratuity, as the steamers to Shreveport and Vicksburgh can, and most likely do, supply every point on that route. We will make no more specific charges for the present, but reserve them for another article, and shall close this with another and a grave view that may be taken of Mr. Creswell's action. He may say that he could not

PREVENT THESE FRAUDS;

he may plead the law for his high-priced contracts; but it will not avail to screen him. Had he honestly so construed the law that he found himself aiding a conspiracy with well-laid plans to rob the Government, would he not have been vauntingly justified by Congress and the country in adopting any means whatever that would have defeated these schemes? Had he violated the law,

NOT FOR THE ROBBERY, BUT FOR THE PROTECTION

of the people's money, one universal amen would have gone up throughout the land. Had Mr. Creswell defeated such a combination, as he could have done, without delay or inconvenience in carrying the mails, and with a vast saving of public money, with what triumphant leaders his party press would have paraded his name before the country. Even

JOHN CESSNA'S TARNISHED FAME

could have been burnished to a silver-bright by so illustrious an act of a former confederate. Did he want other justification than his own conscience and the plaudits of the country, he had it in the uniform interpretation of the postal laws for the third of a century, by his and Mr. Akerman's distinguished predecessors. The prestige of their names and their decisions would have been a bulwark behind which he could have sheltered himself and defied the assaults of his bitterest enemies.

THE STORY IS TOLD IN FEW WORDS.

Mr. Creswell opened the doors of the Treasury to his confederates and friends, none the less guilty because they entered without the assistance of burglars' tools. We

DEMAND OF CONGRESS AN INVESTIGATION

of Mr. Creswell's administration of the postal service. We believe, from Mr. Creswell himself down to the local postmasters, that rottenness and corruption permeate the whole Department. We believe that for one case of fraud we have presented an hundred will be developed. We believe for one dollar we have shown to be stolen an hundred other cases of peculation

will be drawn to the front. We demand, not a sham, but an investigation, thorough and complete. The spirit of reform is abroad. Men who sat on thrones of gold, and whose power extended over the land, have been hurled from their high places by the wrath of an outraged and plundered people. Other men elsewhere held as high trust and as secure positions as Mr. Creswell, yet, one by one, they are surely drifting to exposure and punishment. Who next? Will Congress speak?

Q. I see that, among other things in regard to the Portland and Oraville route, one point you make is put in italics, as follows: "In direct violation of the law, the contract was made for the whole residue of the service at a private letting, and without advertisement."—

A. Yes, sir.

Q. You can state, in general terms, what was the progress of that investigation.

The WITNESS. In regard to the Portland route?

Mr. McMAHON. In regard to the whole matter. You had not, as I understand it, so much interest in the northwestern routes as in the Texas routes?—A. No, sir.

Q. But still you laid the whole matter open?—A. I assaulted, right and left, wherever I discovered anything—Peterson, Bradley, Barlow, and Sanderson. With the indulgence of the committee, I will make a preface of a few words in regard to this investigation. I had been assaulting the Post-Office Department through the press, with the assistance of the editor of the Patriot, and it finally culminated in this article. Before its publication, it had been shown to Mr. Van Trump, who was a member of the Post-Office Committee, and also to Mr. Beck, of Kentucky, and Mr. Farrar, and Mr. Lockwood.

Q. Mr. Lockwood was a contractor also?—A. Yes, sir.

Q. Who else?—A. Possibly to one or two other parties; but I recollect those distinctly, because Farrar, Lockwood, and myself were fighting the Department at that time. Mr. Farrar was Mr. Lockwood's attorney. The point I wish to make is this: It has always been reported that that investigation was suppressed. That report emanated, as far as I know, from parties who wanted to revive it for their own purposes. I do not think it originated from the character of the investigation, because every fact that was alleged in that article was sufficiently and fully set forth before the committee.

Q. In proof?—A. In proof. I made the publication with the view of an examination. I suggested to Mr. Van Trump that some of the disaffected republicans knew that the Post-Office Department and some of the members were quarreling all the time, and I suggested that it could be taken out of the hands of the Post-Office Committee and given to a select committee. (Mr. Sheldon, of New Orleans, I think, was the party selected.) At least, I suggested that to Mr. Van Trump, but it came to naught. It failed for some reason; I do not know why. I do not know whether Mr. Van Trump pushed the matter; I think not. He was a very good, but a very timid man. I wrote Mr. Van Trump myself to make a motion for the investigation, so that he would be chairman of the committee, and could exercise the authority ordinarily used by a chairman. I could not get him to make the motion, and finally the investigation was brought about, not at my instigation, but at the instigation either of the Post-Office Department or of the contractors.

Q. On account of the repeated publications, I suppose, and the noise that was made?—

A. It was impossible to pass a publication of that kind without notice, because it set forth the facts, routes, and everything in detail, and in every instance they were taken from the records of the Post-Office Department.

Q. You had certified copies from the Department in regard to all those matters?—A. Not only those, but all the other things that were embodied in the charges. The feature that Congress knows nothing about—the very large amount of money that was expended in the increase of service, and in the increase of schedule time, hundreds of thousands of dollars—it was the object to show those things in getting those papers.

THURSDAY, March 23, 1876.

JOSEPH C. MCKIBBEN further examined.

By Mr. McMAHON:

Question. After the investigation of 1872 started before the Post-Office Committee, state fully what part you took in promoting that investigation, in the production of witnesses, and in the finishing up of the labors of the committee.—Answer. That would be to simply give a history of the whole affair. As I stated yesterday, the article that was offered in evidence was written by myself. I had no assistance in getting it up, except parties whom I sent to the Post-Office Department for data; because I knew that it was absolutely necessary that I should be correct in every statement. I had, previous to that, published, or caused to be published, two or three other articles in the Patriot, instigated and sometimes written by myself. The last article was a culminating article, which I withheld until after the holidays, so that when Congressmen arrived here the thing would come fresh upon them, and attract as much publicity as possible.

Q. It was published with enormous head-lines?—A. Yes, sir. It created a good deal of comment, both among contractors and citizens and Congressmen, and I either then, or before that time, had suggested to Mr. Van Trump, with whom I principally held intercourse in regard to this investigation, how it should be carried on. I knew that there were disaffected persons, who probably thought that they had not been treated well by the Post-Office Department, and I wanted the motion made by a republican, because in all the committees the republicans largely predominated. I wanted to get at least one friendly one, if I could. I do not know why that failed to be accomplished. Mr. Sheldon, of Louisiana, was the party whom I suggested, I think. I then urged Mr. Van Trump that he should make the motion, so that, as chairman of the committee, he could exercise the control usually held by a chairman over his committee. That was not done, but then the investigation was instituted, not at my instance, or in the way that I wanted, but as I have stated, possibly by the Department and possibly by the contractors, and I don't know absolutely whom. In the publication that I made I published every fact that I was aware of in connection with the Post-Office Department that I thought would show what I believed to exist, to wit, fraud and corruption from one end to the other. Every fact that I published was shown to Mr. Van Trump before it went to press. We talked over how it could be established, and I told him that the great majority of the charges would be established by the records of the Post-Office Department themselves; that I had had them carefully examined, and paid for that examination.

Q. It did not require the testimony of witnesses?—A. It did not. I gave him the name of the editor of one of the Montana papers; that was in regard to the charge in the article. I think that every letter which passed over that route from Missoula to Walla-Walla cost \$140, or somewhere in that neighborhood; also the name of Mr. Allman, who, I believe, received \$10,000 a month for continuing to be a failing bidder on the Oroville and Portland route during the time it was carried by Jesse D. Carr & Co.; I think they were the contractors. The name of Jesse D. Carr was also given to him as a witness in this case. I suggested to him, in regard to the question of straw-bids, that there was but one way of establishing it that I knew of—the system of scaling the bids—and that was to send to the men who were subordinate to the contractors, and whose bids indicated that they were actual bidders, and who had been got out of the way. What they would testify to I could not tell. I felt certain the facts would come out, as I believe they have before this committee. The examination went on continuously, except during the time I was absent, and I understood while I was sick that an attempt was being made to adjourn the committee and close the investigation at the instigation of Col. William H. Farrar. I at once sent a note, which should be among the records of the last investigation, to the chairman of that committee, stating that important matters yet remained to be developed, and I also sent for Judge Van Trump and Mr. Carroll, who came to my room at the National Hotel, to apprise them of any movement of that kind. Mr. Carroll was a member from New York.

Q. What relation did Mr. Farrar then sustain to Mr. Bradley Barlow?—A. Mr. Farrar was Mr. Barlow's attorney.

Q. How long had he been Mr. Barlow's attorney?—A. That I cannot say with any accuracy; I only know that he was at that period of time.

Q. Was he his attorney from the beginning of the investigation?—A. I think that he was, although, in regard to that, I cannot say definitely; that he was Mr. Barlow's attorney was a matter of course that I could not state, except that I knew it from Colonel Farrar himself. Colonel Farrar was sent to me by Mr. Barlow.

Q. We will come to that presently. Now, continue your statement from the point at which you stated that you sent a note to the chairman or Mr. Van Trump.—A. The matters were simply questions of record, and I had asked and Mr. Van Trump stated that he would have ready a compilation of the increased service; that was one of the grave charges that I made. That was not done, but the routes were there to be examined by the different members of the committee. Mr. Creswell and myself were upon the stand again subsequent to that time. Mr. Allman, and Mr. Carr, and other witnesses were not to the front.

Q. Do you remember when you were called the second time what particular route you testified to more particularly than you had previously?—A. No, sir.

Q. You and Mr. Creswell, you remember, were both recalled toward the close of the examination?—A. Yes, sir.

Q. The points you claim now that you made against the Post-Office administration really were developed from the record itself, and the record was before that committee?—A. I only expected to develop them in that way, and I don't think that there is a solitary allegation that was not proven by the records before the committee.

Q. That is, not a solitary allegation in your article?—A. Yes, sir.

Q. In this article you refer to the Sawyer and Peterson routes, and some of the Bradley Barlow routes?—A. Yes, sir.

Q. State, whether, so far as you were concerned, you pressed that investigation until its close?—A. I did press it to its close. I would rather that the investigation should speak for itself.

Q. Did you, so far as you were concerned, relax in your vigor in pushing the investigation.—A. No, sir; as I have stated, every fact in the case was proven to the best of my belief.

Q. It has been stated in the public prints that you wrote the majority report. State what connection you had with shaping any of the reports that were made.—A. The statement with regard to the majority report of course is incorrect. I knew nothing at all about the majority report until I saw it in print. The minority report was written by myself.

Q. In connection with whom?—A. Judge Van Trump and Mr. Carroll more particularly. It was written and revised and revised and revised again, Mr. Carroll objecting to the report simply on the ground that the language was too strong, and I recollect its causing me to remark that if they wanted a sugar-coated report they would have to write it themselves. I would not have written the report except it was necessary I should make it public that I, at least, had done my duty in this matter, and the responsibility of anything that might be done in the committee should rest upon the committee itself.

Q. And upon the House when the report was made?—A. Yes, sir.

Q. State whether any efforts were made by Mr. Barlow, pending the investigation, to influence you in any manner by the offer of employment?—A. After the publication was made, as I stated, it created a good deal of consternation. Mr. Huntley, one of Barlow's partners, came to my rooms at the National Hotel, and proposed to engage me as their attorney. I told him it was utterly impossible for me to do that, and he then proceeded to talk. Said I, "Mr. Huntley, you can't talk to me; I don't want to hear anything that you have to say, because I do not want to get your confidence. I will be before the committee, and I will be examined, in all human probability, about something of this character."

Q. Then you declined the proposition from Mr. Huntley?—A. I did.

Q. State whether any subsequent efforts were made by any person representing Mr. Barlow?—A. Yes, sir; Mr. Farrar afterward made application to me.

Q. What was the application?—A. To become the attorney for these parties—that it was an investigation of the republicans themselves, and that I had nothing to do with it.

Q. That it was an investigation of what?—A. That it was instituted by the republican chairman of the committee and it was their investigation; that I had nothing to do with it, and that there was no reason why I should not accept a fee as an attorney. I do not know now myself, except a desire to prove the charges that I had made, why I should not have done so.

Q. Did you accept anything until the investigation was closed?—A. I accepted nothing in connection with this investigation at all, either during it or after.

Q. The report was made, of course, and speaks for itself. Now, after it was all over, state at what time and under what circumstances you did become employed by Mr. Barlow, and whether that had any connection with the suppression of the investigation as alleged.—A. My employment with Mr. Barlow I have no doubt originated out of this investigation, and my thorough and complete knowledge of matters in the Post-Office Department, and that knowledge was valuable to him; and, possibly, for another reason, that if I was his attorney I could not be a contractor, and that as his attorney I would be out of his road as a competing bidder.

Q. Do you know anything of the giving by Mr. Barlow to Mr. Farrar of a sum of money pending that investigation, say between forty and fifty thousand dollars?—A. I knew nothing about it until I saw it in the newspaper at Harrisburgh, on last Monday.

Q. Was any of that money handed to you to disburse in any shape or form?—A. Not in any shape or form either to any republican or any democratic member of a committee or to any republican or to any democratic outsider.

Q. You do not know anything about that money, in fact?—A. I know nothing about it at all, nor do I know anything to the discredit in that way of the republican or the democratic members of the committee.

Q. You do not know anything about how that money was used, and did not know that there was money used?—A. I did not know anything about it, as I have stated, until I saw it in the paper.

Q. State whether, according to your recollection, the minority report that was written by you covered every charge substantially that you had made?—A. It covered every charge that I had made so far as it was drawn out in evidence—not as fully as might have been, but I think it covered every allegation in the publication. I thought all these things well proven at the time, because they were proven by records and proven by those who were interested, perhaps, in not bringing the truth to light.

Q. Were you present at the interview between ex-Attorney-General Williams, Mr. Farrar, and the then Attorney-General, Akerman?—A. I was.

Q. In that connection state what took place then as to the opinion of Attorney-General Akerman in regard to the construction of the law of 1836-'45, Mr. Creswell having publicly stated that that opinion was his justification for the action of the Department in refusing to go up the scale.—A. When the bids upon the Texas routes were opened, to the amazement of myself, as well as other contractors, the Postmaster-General refused to go up the scale, as had been the practice of the Post-Office Department. Mr. Childs and Mr.

Davis state that that practice varied, but Mr. McClellan swears positively that it was the continuous practice.

Q. What position did Mr. McClellan hold?—A. He had been Second Assistant Postmaster-General, in charge of the contract-office.

Q. For how many years?—A. I think for six or eight years. During Mr. Lincoln's administration, I think, entire. We were perfectly amazed when we were informed in the contract-office about that matter.

Mr. CANNON. I object to the witness stating what Mr. McClellan, Mr. Childs, and the other parties stated in that investigation, unless the evidence as of record of those parties goes into this record in full.

The WITNESS. I did not intend to give that in evidence. It was an explanation of the answer that I was about to make. I had no desire to interpolate anything, but I wish to explain that fact, that it was a departure from the usual custom, and it was announced to us in the contract-office that they intended to make the awards to the lowest bidder, and abide by that award.

Q. State whether straw-bidding had, at this time, developed to a considerable extent.—A. Routes were all strawed.

Q. And they had been strawed previous to that time?—A. Yes, sir; not any great period, I think, prior to that time.

Q. But the thing had commenced?—A. The thing had commenced.

Q. Then the practice of the Department was changed so as to accept the lowest bidder only, and never go up the scale?—A. Yes, sir. Mr. Lockwood and myself had first employed Mr. Williams as an attorney in the case. We were thoroughly amazed at the decision as contrary to the practice of the Department, and I think there was a doubt, at least on my part, and I think possibly with the other two gentlemen, whether the Attorney-General had ever given such an opinion; but if he had given it, we wanted to talk to him about the results of such an opinion in affecting the business of the Department. We called upon Mr. Akerman. I do not think it was ten minutes after this announcement had been made as to what the Department proposed to do when we were in Mr. Akerman's presence. He stated that he had never given the Postmaster-General any opinion upon that particular point, or I think upon any special point; that they had some general conversation, and no doubt that whatever the Postmaster-General wanted in the shape of an opinion would be submitted to him afterward, and, when so submitted, he voluntarily said that he would send for us and let us know.

Q. What did he state as to whether his mind was made up on this particular question or not?—A. The statement was very clear to the effect that he had no opinion, and that he did not know what the subject-matter was that was to be presented.

Q. Mr. Williams was with you, and Mr. Farrar also, when you went there?—A. Yes, sir. Mr. Williams's testimony is printed in the minority report and in the evidence, and also the testimony of Mr. Farrar.

Q. Mr. Barlow testified that he placed \$2,000 in your hands during the investigation of 1874 as his attorney. It is our duty to ask you what became of that money.—A. In the first place, I think Mr. Barlow is in error in regard to the amount of money that I received from him at or about the time of that investigation. I have no recollection of the exact amount, but it was possibly nearer a thousand dollars than two thousand dollars as far as I can recollect.

Q. Can you give the committee any idea of how that was disbursed?—A. It was simply disbursed by me as counsel, for no improper purpose whatever; it was running on the general expenses of attending to the investigation.

Q. In what way? The attendance of witnesses was all procured and their expenses paid by the committee, according to the law; the attorneys, Messrs. Black and Paschal were paid.—A. I have no objection to stating this to the committee. There is nothing that I decline to answer, but I don't know whether I would be authorized in replying to the question further than to say that it was never used for any purpose to affect the investigation either one way or the other, except so far as it was to protect the interest of the contractors.

Q. I think that the privilege of counsel would only protect you as to any communication passing between you and him.—A. As I have stated, I have no particular objection to answering any question, except that I did not want to place myself in an attitude of not keeping absolute good faith.

Q. What became of the money which was put into your hands by him to disburse?—A. As I stated, I think there is an error in Mr. Barlow's recollection as to the amount of money; at least his recollection conflicts with mine. There was a class of expenditures, carriage-hire, &c.; I do not know what it would amount to, but it was very small, probably twenty or thirty dollars; not over that. I think I paid the two stenographers who took down the testimony as we requested them, and who forwarded it to me as the counsel of Mr. Barlow, somewhere in the neighborhood of \$150; possibly a little more, possibly a little less. I have no direct recollection about it, except that that is near the amount. I paid for copies of papers some small amount of money, but the principal amount that I received from Mr. Barlow was paid for additional counsel in the case.

Q. Who was the additional counsel?—A. Col. Joseph W. McCorkle, of California.

Q. By whom were those copies furnished?—A. I do not recollect. The two stenographers were employed about the Capitol; they were the regular stenographers of the Post-Office Committee, I think. It was for extra work.

Q. You had two in addition to the stenographers of the committee?—A. No, sir; I employed the regular stenographer. I did not want to attend the committee, and I wanted to know what was going on, and employed the regular stenographer, but could not get a copy as soon as I wanted it. I directed that a copy should be furnished me immediately after the testimony was given; for that reason they employed another stenographer, so that I had two to pay.

Q. You were in the city at the time?—A. Yes, sir; I was in the city.

Q. And Mr. Barlow was here at the time?—A. Yes, sir.

Q. Were Mr. Barlow's matters gone into very extensively in that examination?—A. I think not. I would state, in response to that question, further, that I was not present at the investigation, and that other counsel had been employed by Mr. Barlow at that time, as they supposed some higher question than the mere question of evidence might come before that committee. I think Judge Paschal was the attorney.

Q. Judge Black never appeared before the committee, did he?—A. I think he did.

Q. How frequently?—A. Once, I think; possibly I may be mistaken; he may have appeared oftener. As Mr. Barlow's counsel, I was familiar, of course, with nearly all that was going on, and in the practical portion of it I was his reliable counsel.

Q. Mr. Paschal represented Mr. Sawyer also, did he not?—A. I do not know; at least, I am not positive about it.

Q. I understand the charges which you had made in 1872 were substantially revived in 1874, and that the Post-Office Committee was ordered a second time to investigate these same matters; am I correct?—A. No, sir. I think, so far as my knowledge of the facts in the case goes, it was simply a very small portion of what was examined in 1872, and that upon the statement, I think, of a Mr. Holbrook and Pendleton.

Q. What Pendleton was that?—A. I think an ex-attaché of the Post-Office Department.

Q. From what State?—A. From West Virginia, I think.

Q. Do you know where he is now?—A. I do not. I suppose there would be no trouble in ascertaining. His father is in the city; I see him every day.

Q. Against what particular routes were these charges made or revived?—A. I do not recollect. I paid very little attention further than to scan the testimony and watch the proceedings.

Q. Do you remember whether any testimony at all was taken in regard to the Bradley Barlow routes?—A. I do not.

Q. What is your best recollection about it?—A. I do not recollect anything about that, the whole thing created so slight an impression upon me. I did not think there was anything in the investigation. They may or may not have alluded to them; very possibly they did, because in some respects, it seemed to me, they got on the track of the old investigation, and I thought if they did they would follow it out.

Q. Still Mr. Barlow was very apprehensive, was he not, for he employed Judge Black at a thousand dollar fee, and Judge Paschal at a thousand dollar fee, and gave you a sum of money, and you employed additional counsel also, Mr. McCorkle. You would not do that on slight grounds, would you?—A. We thought all these matters grave enough to employ important counsel and expensive counsel. The routes were good routes, and we did not want to be dispossessed of them. I suppose no attorneys were ever paid better than Mr. Barlow's attorneys.

Q. About how much money had been paid to you? Mr. Barlow has testified that he paid you since that time, you having been regularly in his employ, as much as \$30,000. State what that was for.—A. All the money that I have received from Mr. Barlow has been as his permanent counsel, covering a period not only of the past but of the future.

Q. Do you represent him in all his routes? Are you his general attorney in all his routes?—A. I simply represent him in his business in Washington City; that is, I suppose I would be under his orders for any other business, but it has been confined to Washington. I have been watching legislation, watching this investigation, the character of the laws passed, those that were inimical and those that were friendly, and doing the general business of an attorney for Mr. Barlow. I think Mr. Barlow's receipts from his routes amount to a million of dollars a year, if not more, from the Government. I do not think it was less than that. It was a vast interest, and a vast amount of money was expended in it.

Q. It needed protection?—A. It needed protection in every possible way.

Q. Protection against legislation, investigation, and rival contractors in the Post-Office Department, &c.?—A. I protected him to the best of my ability against everything.

Q. Do you know of the law passed in regard to straw-bids, which passed through the House and went to the Senate? I refer to the Packer bill.—A. I recollect it.

Q. Did you have a fight upon that bill? It passed the House; what became of it in the Senate?—A. I believe it failed to become a law through the disagreement of the conference committee, or rather it did become a law, but there were some points that hung it for a long time.

Q. At whose instigation were these points stricken out?—A. That I cannot positively

say ; I know I was opposed to at least one feature of it. I think that feature was in giving to the Postmaster-General absolute discretion in the letting of contracts.

Q. What discretion did that bill propose to give him, as it passed the House ?—A. To let to anybody whom he thought proper.

Q. That is, in going up the scale, I believe the bill provided that he could take the bid of the failing bidder and then offer it to some one outside ?—A. Yes, sir ; that is my recollection of it. My answer is in view of my recollection, for I am not positive now about the law.

Q. That was the provision that you did not desire to have in it ?—A. That was the provision that I did not desire to have in it, because I did not think it was a discretion that should be given to any Cabinet officer.

Q. Did you not object to it faithfully representing Mr. Barlow's interests, who was in possession of all these important routes ?—A. Yes, sir ; that was the cause of my objection.

Q. Your investigations when you were a contractor yourself lead you to believe that all straw-bidding was to the interest of the men in possession of the routes, as a matter of course ?—A. It is not demonstrable that it is to the interest of anybody else. It cannot be demonstrated, unless somebody would voluntarily get post-office blanks and attach the names of postmasters, and get guarantors, sign his own name, and pay the postage to Washington for his own fun.

Q. It could not inure to his benefit in any other shape ?—A. It could not except for the amusement it might give him.

Q. It was in the interests of Mr. Barlow, and as his attorney, that you fought this bill ?—A. I do not know that your deduction is correct. I had previously taken occasion to beat the same bill in the House, and I think that I did beat it.

By Mr. CANNON :

Q. At the prior session ?—A. Yes, sir ; it was introduced by Mr. Farnsworth giving the same discretionary power to the Postmaster-General, and the attempt was made to put it through the House as a very important measure necessary for the interests of the Post-Office Department. I recollect that Mr. Niblack got up and told them that there was too much cat and too little meal, and that they had better stop. It afterward was got up and passed the House, and I then went to the Senate and was one of the agencies in beating it there.

Q. It went to a conference committee, I believe ?—A. Yes, sir.

Q. Did you make a fight before the conference committee, or before the Post-Office Committee of the Senate ?—A. I do not know that I ever had any intercourse with any of the conference committee, except Mr. Marshall, of Illinois, who neither took my view of it or voted with my view. The House was a unit on one side, and the Senate was a unit on the other. The three members of the House committee favored Mr. Packer's bill, and the three Senators were on the other side.

Q. Do you remember how it changed afterward ; how it came to be reported ?—A. I do not, except that the usual concession took place, perhaps, where there was a conflict.

Q. Do you know what member of the House conference committee made the concession to the Senate ?—A. No, sir ; I do not. I rather think that the concession was determined to be made to the more dignified, or rather the higher body ; I do not know that fact.

Q. What other contractors or representatives of contractors were fighting that bill in the Senate besides yourself ?—A. That is a question that I cannot answer, except in regard to myself ; I do not know, except parties that I represented. I have no hesitation in telling the committee that I did represent other contractors than Barlow, Sanderson & Co.

Q. Who were they ?—A. Gilmer and Salisbury.

Q. Were Gilmer and Salisbury reliable and responsible contractors ?—A. None more so in all the United States. They were men of vast wealth ; that is, I suppose they are men worth from five to seven hundred thousand dollars.

Q. Where do they live ?—A. Their headquarters are at Salt Lake.

Q. They are the same men who bid on the Portland and Oregon route for daily service \$97,500 ?—A. I do not recollect the amount of the bid ; they are the parties.

Q. They made a fight and got it from this man Allman, whom you refer to, who had bid for six times a week, \$96,000 ?—A. Yes, sir ; I had no direct authority that I am aware of, and Mr. Gilmer I never saw—Mr. Salisbury was the business men. I do not know that anything passed between us directly in that connection, but I opposed it as not according to his interest, I being their representative.

Q. What was your reason in 1872 for opposing such a bill as the bill of 1874 ? In the Congress of 1872, had you then been employed by any persons to represent their interests, or was it your judgment as an outside contractor that the bill was not good ? When was the Farnsworth bill introduced ?—A. That was introduced some time in the year 1872.

Q. It was introduced in the December session, 1872, was it ? It was not pending the investigation, was it ?—A. No, sir ; it may have been, however, for anything that I recollect.

Q. When did you begin to oppose it ?—A. I opposed it from the outset, as set forth in the article. I believed that the Department was full of abuses, and I thought that was an attempt to enable the Postmaster-General to conclude contracts with these same parties whom I was assailing there.

Q. Your objection to the bill was more because it was liable to abuse under the Postmaster-General, in whom you had no confidence, than the fact that the bill itself was defective?—A. I think the bill itself was defective, and I thought so then and I think so now.

Q. Give us your view of it.—A. I was asked nearly the same question on the investigation of 1872, as to my view in regard to the post-office laws. My experience since that time has simply confirmed the view that I took then, and I think I set forth there in my report that it was a grave question whether that power should be given to any one man to determine who should or should not be contractors in his Department, whether men of character or men without character—that it was setting a bad precedent. In the particular opposition to it at that time I supposed that it was a personal interest. I felt that I should never get a contract, or anybody else outside of the favorites of the Postmaster-General.

Q. You thought it enabled him to create a ring?—A. I thought that would be the result of it, and while I may be doing the Postmaster-General injustice, my opinions then have been the opinions I have always retained.

Q. What would be the effect of such a law on straw-bidding from your stand-point? I want your opinion.—A. I think, in the first place, that it requires no such law to get rid of straw-bidding.

Q. State your reasons for that opinion.—A. One reason is the long experience of the Post-Office Department. Up to 1868 such a thing did not exist; at least I cannot find any evidence of straw-bidding. It is entirely within the power of the Postmaster-General at any time he may see fit to practically stop it. He may at times have to give a little more than the route would be probably worth; it is true, but it can be practically stopped at all times. I think the present Postmaster-General has, in a measure, put an end to it. He has to a certain extent destroyed the results which grew out of it. Take, for instance, the route from Mesilla to San Diego. I think these contracts were one of the first things that Postmaster-General Jewell had to determine upon, and he put his finger down and said, "I will not give any more than this amount for service on that route or they shall go without service." I do not know that he said that, but that is practically the fact. The result was that the route, I think, was let for some four or five hundred thousand dollars less than was paid during the last contract term. That is, for the full term. Take the route of Barlow, from Kelton to The Dalles, the compensation last year was \$229,000, and this year is \$134,000. There is an amount of nearly \$400,000 that the Postmaster-General can save himself without any law, whenever he says I will save it.

Q. When he takes a business view of it?—A. Yes, sir; the Postmaster-General has a large number of agents; they have always been at his will, and there is no route in the United States of any importance about which correct information as to cost or probable cost of carrying could not be obtained in the post-office just as well as it is obtained by the contractor. Therefore the best mode, in my judgment, of stopping it must be through the agencies of the executive. I think that these laws which have been passed by Congress have simply resulted in creating combinations and not in breaking them up, and I think the more complicated you make the laws the worse will be the combinations.

Q. Don't you think it would be advisable to pass a law to prevent any one to have contracts awarded to him who had purchased a withdrawal of the bid which had been previously made?—A. No, sir; it would not accomplish anything, because he could bid in somebody else's name.

Q. Let me put a case: Suppose the bids have actually been put in, and one company of responsible men—take for example the firm of Gilmer, Salisbury & Co.—had offered to carry it at \$100,000 a year; suppose there was another bid to carry it for \$124,000; suppose the party who has the bid, \$124,000 a year, comes in and says to Gilmer, Salisbury & Co., "We will give you \$12,000 a year, when they go up the scale, to withdraw your bid." Gilmer, Salisbury & Co. make \$12,000 a year for nothing, and the other man gets \$24,000 more out of the Government than the Government ought to pay. Would not a law punishing the persons who had put in *bona-fide* bids which were then subsequently withdrawn for a compensation, by preventing him from being the recognized bidder in the Department, be a valuable law? And, if not, I would like to know your opinion of it. It might hurt your clients, I know, but would it not be for the good of the Government?—A. It is utterly impossible to exclude anybody from the Department. If there is a law passed, excluding me from bidding, all I have to do is to get somebody else to bid in my name.

Q. But suppose it is discovered subsequently that these bids are really in your interest, and the Government annuls them on that account; don't that make it somewhat risky for you?—A. I think not; I think they would do it; the risk would amount to nothing.

Q. Suppose that the Postmaster-General is given power to summon witnesses and to inquire of contractors who are interested in their routes, &c.—A. Then you would resolve yourself into a perpetual committee on investigation, I think.

By Mr. McMAHON:

Q. On these big routes, that might pay, although it might not pay on the small ones?—A. I do not say that it might not accomplish some good, but I know that the result of all this legislation has simply been to close the Post-Office Department to a large body of responsible bidders. There are very few men who will take the trouble to go through all the red-tape

now prescribed by the Post-Office Department under the law for the purpose of having their bids presented in Washington. There is a large class of contractors who have no money who could carry the service, and that class would always do it cheaper, because the contract itself is credit. To illustrate that, I put a line of seven steamships in the Gulf of Mexico, and had not a dollar when I started, but I had good contracts from the Government and they were credit. I could go into New Orleans or Havana and get everything I wanted. Now all that class of contractors, I believe, are excluded by existing laws; you hamper and tie them up and scare them by penalties to which nobody pays the slightest attention. I have answered to the other committee that there was no remedy, in my judgment, except through the executive department.

Q. You said in your report in the previous investigation: "That the remedy for this, and all other abuses, will be found not in multiplied legislation, but in an efficient administration of the laws." Is that what you mean?—A. Yes, sir.

Q. Still there must be some legislation to compel an efficient administration of the laws. Do you know anything about requiring 5 per cent., in certified checks, to be put up in the case of bids over a certain amount?—A. Nothing.

Q. Do you remember when that law was passed?—A. I think it was in 1871.

Q. The joint resolution was in 1870.—A. That was authorizing them, in certain routes, to go up the scale. I think it was in 1871 that the deposit law was passed, which has practically amounted to nothing.

Q. Straw-bidders go under the \$5,000?—They go under the \$5,000, or they can put in and carry the service and then the checks are withdrawn. The whole working of it, I suppose, the committee understand. It amounts to nothing; it is simply one of the complications which I have spoken of as driving away responsible bidders. They tie your money up for six or eight months, and, with the belief which is prevalent, that contracts cannot be got, people are not going to put their money there.

Q. What information have you, if any, about money being used about the Post-Office Department in relation to the clerks?—A. I have no knowledge of any money having been paid to any clerk or any official.

Q. Do you know anything about the life-insurance business conducted, or said to have been conducted, by John L. French in that Department?—A. I know nothing personally about it. I only know it by rumor.

By Mr. LUTTRELL:

Q. I understood you to say that little legislation is necessary to break up straw-bidding.—A. Yes, sir.

Q. And that the essential point is honest administration of the laws?—A. Yes, sir.

Q. You stated, furthermore, that the Postmaster-General has his agents all over these routes, and that it is in his power, at any time, to prevent these numerous frauds being perpetrated by straw-bidders.—A. In a great measure.

Q. You preferred the charges in 1872 upon which the investigation of that year was made by Congress?—A. Yes, sir.

Q. Did the Postmaster-General prevent these frauds?—A. No, sir. Probably the better answer would be that the frauds existed under his administration. I do not want to charge that the Postmaster-General was an accomplice in these things, because I have no right to do that. I merely say that these frauds were committed under his administration.

By Mr. McMAHON:

Q. And brought to public notice?—A. And brought to public notice. And that they ought to and could have been remedied by the Postmaster-General.

By Mr. LUTTRELL:

Q. And that he failed to do so?—A. Yes, sir.

Q. You have reference now to Mr. Creswell?—A. I have reference to Postmaster-General Creswell.

By Mr. CANNON:

Q. I believe you stated that in the investigation of 1872, from your stand-point, to substantiate the charges that were made in reference to mail-contracts, all the evidence you desired, or that was necessary, was of record in the Post-Office Department?—A. No, sir; I do not think I made that statement.

Q. What did you state in reference to that matter?—A. I think that many of the charges or many of the inferences were deductions from facts, and that where facts were set forth, the bulk of them could be substantiated from the records of the Post-Office Department.

Q. Were these records from the Post-Office Department used in evidence in that case?—A. Yes, sir.

Q. What witness or witnesses did the committee fail to call who were material and important to elucidate new facts?—A. The witnesses that I recollect I stated, I think, as nearly as I could a short time ago. Mr. Allman was, perhaps, the most material of all the witnesses that I wanted here. Also, an editor of one of the Montana papers.

Q. Was that Colonel Fisk?—A. I do not recollect his name now, but the extract that I published was taken from his paper. The name of Jesse D. Carr was also given to Mr. Van Trump in connection with the Oroville and Portland route. I suggested in regard to a matter that I believed, and that I morally knew to exist, and yet I could not get the evidence of it, that if they would summon the parties immediately below whose withdrawals had taken place, in order to mount to the larger bids, they would get at the fact that they had been bought out under this system, by the higher contractors.

Q. The names of those parties, Carr, Allman, the Montana editor, and the contractors immediately below those who got the bids or did the service, you gave to Mr. Van Trump, who was a member of the committee at that time?—A. Yes, sir.

Q. Your principal communications in the inception of that investigation of 1872, and subsequently, as I understand it, about these matters were with Mr. Van Trump?—A. Almost entirely so, until after the investigation was over, and then in the fixing up of the report with Mr. Carroll and Mr. Van Trump. That arose from the fact that I was with Mr. Van Trump a great deal of his leisure time aside from any matters pertaining to the Post-Office Department.

Q. Mr. Van Trump signed the minority report of the committee?—A. Yes, sir.

Q. Did Mr. Van Trump report the names of these parties to the committee and ask for subpoenas or obtain subpoenas for them?—A. My impression is that he did, although I am not positive about that.

Q. Were they subpoenaed?—A. My impression is that they were. I do not know positively.

Q. Do you not know whether they were communicated with or subpoenaed?—A. No, sir: Mr. Allman was here at the time the investigation was pending, and at the time he was wanted he had gone, I think, to the Pacific coast, or I so understood, where his contracts were.

Q. What additional fact could Mr. Allman or Mr. Carr have testified to that did not sufficiently appear from the record?—A. Mr. Allman could have testified to this fact: circumstances connected with the bid which he put in the Post-Office Department, which would have established the fact that it was not a legal bid, and that the Postmaster-General should not have received it.

Q. Mr. Allman is the man who put in the bid upon the face of it six times a week?—A. Yes, sir.

Q. And afterward filed an affidavit that he meant to put it in at seven times a week?—A. Yes, sir.

Q. That is the matter which you referred to?—A. Yes, sir.

Q. Does not that appear from the record which was in evidence in the case?—A. That appears from the record.

Q. Then that part of it appears from the record as well as it could have appeared from the evidence?—A. Yes, sir.

Q. What other matters could he have testified to?—A. His personal presence here, I suppose, would simply have strengthened that; and he could have testified to another fact, to wit, that he received \$10,000 a month to stay away, or rather not to bond upon a bid that had been awarded to him, which I claim was wrongfully and fraudulently awarded to him by parties who were in possession of the route.

Q. I believe Mr. Allman failed; did he not?—A. The contract was held up for him to bond, I think, for three or four months, and an extra compensation of \$43,000, or nearly that amount, paid.

Q. For temporary services?—A. Six or seven hundred dollars a day was paid, if I recollect right, for temporary services; but it was to establish the fact that it was done by collusion between parties carrying the route, and that Mr. Allman was in their employ possibly to make this bid. Anyhow, it would have established that fact, I think.

Q. The record, however, shows that he did in fact fail?—A. Yes, sir.

Q. And that the contract was afterward let to Bradley Barlow—Barlow, Carr, and a third man bidding?—A. I do not recollect the last man's name.

Q. Who told Mr. Allman that he could leave here; was it Van Trump?—A. Nobody, that I am aware of.

By Mr. McMAHON:

Q. I desire to call Mr. Cannon's attention to the following, from the majority report: "In obedience to said resolution they have taken a large amount of testimony, having examined all persons as witnesses who were supposed to possess any knowledge of facts material to and relating to the subject-matter of investigation."

By Mr. CANNON:

Q. Did you insist upon Allman being examined after you had given his name to Mr. Van Trump?—A. I do not recollect whether I did or not. I think I was cognizant of the fact that he had left Washington to avoid the investigation some time during it.

Q. Before or after service of subpoena upon him?—A. I do not know.

Q. You do not know whether he ever was subpoenaed, then?—A. I don't know positively who the Sergeant-at-Arms subpoenaed.

Q. What matter could you have proved by Mr. Carr except what appears from the records, if you have knowledge of what you could have proved by him?—A. I had what I supposed was knowledge. I have just stated that Mr. Carr was carrying the mails at \$700 and at \$600 a day, and that Mr. Allman was kept from bonding I suppose by an arrangement between them and received the compensation of \$10,000 a month. That was the amount that was stated at that time; I wanted to establish this fact fully, because I made an affirmation in my statement that Mr. Creswell had cost the Department by violating the law \$180,000 and these witnesses were absolutely necessary to establish that fact.

Q. It appeared from the records that Mr. Allman had not taken the contract?—A. Yes, sir.

Q. Allman bid at six times a week, and his subsequent amendment of that bid appeared from the records?—A. Yes, sir.

Q. It appeared from the records, further, that Mr. Carr was carrying this mail at \$600 or \$700 a day, whichever it was?—A. Very likely; I presume it did.

Q. Then all the material facts as to the action of the Department, and as to the action of Allman not bonding, and of Carr in getting his \$700 a day for temporary service appeared from the record, and what you wanted with Allman, or Carr, or both of them, was to show that Carr had bought Allman's bid, or was instrumental in keeping Allman from entering on the service?—A. Yes, sir; and this further fact, that a violation of the law had occurred, or a double violation of the law, on the part of the Postmaster-General, instead of the administration of the law, had cost the Government \$180,000. It was to conclusively establish that fact, and to show how that was done, and that Mr. Allman was a man—I will not say without character, but who was introduced there, and possibly accepted, as a failing bidder, and for purposes as they subsequently developed.

Q. Yet all the violations of the law, if there were any violations of the law, and the action of the Department were of record?—A. Yes, sir; it was a matter of record so far as a question of violation of the law, but there was a grave and important fact connected with it that did not appear by the record.

By Mr. McMAHON:

Q. Was Allman a straw-man really, from your knowledge of him?—A. That was my impression. I could not state positively, except this fact, that I think the route could have been carried at the bid that Allman put in; there was a very slight difference between the two bids. Either of them were a sufficient compensation.

By Mr. CANNON:

Q. How much is Allman worth?—A. That I do not know.

Q. Are you personally acquainted with him?—A. I am generally acquainted with him, and have been over a number of years, without knowing anything about his business except that he was a contractor not numbered among the great or distinguished ones.

Q. You were to a certain extent acting in the capacity of prosecutor before that committee?—A. No, sir; I was more prosecuted than otherwise.

Q. I mean in the investigation you were to a certain extent acting as prosecutor; were you not?—A. Yes, sir; so far as I could make myself a prosecutor, I did.

Q. Did you go before that committee after Allman had gone to the Pacific coast and call the attention of the committee to the fact that you desired the presence of Mr. Carr and Mr. Allman before that committee? I am not speaking now of your going to Mr. Van Trump.—A. I am not aware that I did.

Q. Then your communication so far as the committee knew of them, that you desired Carr and Allman and the other parties whose names you have mentioned—the committee obtained knowledge of them through your private communication to Mr. Van Trump, one of the members of the committee, if they got knowledge at all?—A. All my communications to the committee were compelled to be of a private character. In order that the investigations might be conducted properly, and the facts elicited, the committee agreed to give me authority to conduct their examination. Before we got through with the first witness, Giles A. Smith, he was getting himself doubled up in the course of the investigation in little things that could not very well be reconciled. They turned us all out of the room and rescinded the privilege of allowing me to conduct the examination.

Q. How long had the investigation been progressing at that time?—A. It was shortly after its commencement.

Q. Had you up to that time given to the committee in any session or publicly the names of these witnesses whom you desired to have subpoenaed?—A. I have stated very distinctly that I gave the names of the witnesses whom I wanted to Mr. Van Trump, and requested that they should be subpoenaed. I did not make the application to the chairman of the committee.

Q. After the committee conducted their examination in private, as I understand you they did eventually—A. No, sir; I did not make any statement of that kind.

Q. Did they conduct the examination with closed doors?—A. No, sir.

Q. They rescinded the order allowing you to conduct it. You still had access to the committee-room, however?—A. At all times. I was there except during the period that I was sick.

Q. You were aware, then, up to the close of the investigation that Carr and Allman and the other witness whose names you have mentioned, which you had given to Mr. Van Trump, were not examined by the committee?—A. Yes, sir.

Q. Still you did not communicate to the committee, as such, or to anybody except Mr. Van Trump, the importance of having these witnesses?—A. I am not aware that I did; but I will explain in that connection the whole facts. I wish to add that all material facts charged against the Administration could have been proven without these witnesses. They were not essential.

Q. Proven how? By the records?—A. By the records and by the testimony of parties here in Washington City in the Department—parties who had been officers of the Department, parties who were connected with some of the *res gestæ* of the whole proceeding.

Q. In other words, they were proven by the parties here; then these witnesses were not necessary?—A. Yes, sir; for the same reason, as I suppose I probably need not explain to you, that a lawyer very frequently brings two or three witnesses to establish the same fact. It is only adding to the credibility of the statement.

Q. Yet all these facts fully appeared upon the evidence, and these witnesses would only have been cumulative?—A. I have stated to you that the witnesses would not be cumulative; but there was another fact, the rascally transaction in this Oroville route, that was only known to Allman and Carr, and I wanted Carr to show that up as a part of the manipulation with which this whole contract-system was being managed.

Q. A moment ago you said that all the facts about the matter appeared in the evidence, and that these witnesses would have been only additional or cumulative. Now you say they did not appear; please fix it one way or the other.—A. I will fix it in this way: While they were not essential to the establishment of the charges, they both were cumulative to one point, of the rascally transactions of the contractors under the administration of Mr. Creswell; the charges made in regard to the route in question, the Oroville route; of the fraudulent letting of it to John Allman; of the illegal letting of it to Bradley Barlow. Those appeared by the record. Behind that record Mr. Allman and Mr. Carr could have shown how it was that the Government paid \$43,000, with the consent of the Postmaster-General, that it ought not to have paid. Now, if you will try to separate those points, I would like it. I do not see exactly the purport unless it is to worry a witness, and I am not that sort. These are the facts. Allman and Carr would have established that fact, that Allman got \$10,000 a month for not complying with the contract that was got for him, I think, through the instrumentality of Senator Nye. The whole thing was a juggle.

Q. There is one point, if I understand it, in your evidence which Allman and Carr could have shown that did not appear from the record, namely, that Allman got \$10,000 as a bonus—either as a purchase of his bid, or not to accept the bid?—A. Yes, sir.

Q. And that, as I understand you, was the only point that did not appear by the record?—A. That did not appear by the record. It was \$10,000 a month, as I understood it.

Q. That would be at the rate of \$120,000 a year?—A. Yes, sir, if continuously paid.

Q. Do you know the fact that he got that?—A. I do not know the fact.

Q. You heard it?—A. I understood that such was the case, and I wanted to establish it by the parties themselves to the transaction.

Q. How did you hear this?—A. I do not know that I could tell you at this time. I heard it from some contractors; very likely from Mr. Salisbury; but I did know the fact that whether he was paid or not he had failed to carry the contract, and I was satisfied that a compensation had been given for his not carrying it, or rather not bonding and executing it, and it was to get out whatever fact there was in the case. I may be wrong about the \$10,000, or in regard to the precise amount, but I wanted the fact, whatever it was.

Q. Now you lug in Senator Nye's name in reference to this Allman matter; what do you know about Senator Nye?—A. I do not lug anything in.

Q. You bring in his name.—A. I brought his name in to show the influence that induced the giving of an illegal contract.

Q. Having brought in Senator Nye's name in reference to Allman, be kind enough to tell what you know Senator Nye did in reference to that matter?—A. Mr. Salisbury I am sure—

Q. I am not speaking of what anybody told you. What do you know about it?—A. I know nothing about it, except information which I received from parties who are as credible as anybody in this room.

Q. Then you have simply no knowledge about it except from mere hearsay?—A. I have no positive knowledge of any rascalities of the Post-Office Department, if they have existed, further than I have set forth in that article. They are deductions and

statements of other parties, that I expected to prove if I had got the committee that I desired to get to make this investigation.

Q. Senator Nye is in an insane asylum, and if he is to be connected with any improper matters I would like to know what the evidence is?—A. It would not hurt him a bit if he had been connected with a great many.

Q. If you have knowledge about that matter, state it.—A. I do not know anything from personal knowledge; I only had it from gentlemen who were entirely credible and reliable.

Q. Have you any knowledge of Senator Nye doing any disreputable or dishonest thing in his official capacity?

Mr. AINSWORTH. I object to that; it has nothing whatever to do with the Post-Office Department.

Objection sustained on the ground that the inquiry is not proper subject-matter for this investigation.

The WITNESS. I came here expecting a close examination, and expected to answer fully any proper question that might be asked me. The introduction of Mr. Nye's name, which I am sorry came in, was in response to the question as to how I got this information, which was pushed at me very closely. I simply then proposed to narrate what Mr. Saulsbury told me, and I could not narrate it without bringing in Senator Nye's name. It was not an attempt to lug it in, but it was a part of the information I got. I make that explanation to show that there was no intention of that kind. I have no desire to say a disrespectful word of anybody, either democrat or republican; I am not here to make charges against republicans. I regret that I brought it in, but it came in in that way, was not lugged in, and was a part of the statement that Mr. Saulsbury gave me in connection with how he was defrauded of this route, as he believed.

At the request of Mr. Cannon the portion of the witness's prior testimony referring to the mention of Senator Nye's name was read by the stenographer.

The WITNESS. I would like to withdraw any reference to Mr. Nye.

By Mr. CANNON:

Q. Has anything been brought to your mind since I asked you the last question, showing that the records of the Department did show that Allman's bid had been purchased, as well as other bids on this route?—A. I believe that the records show the fact. I had probably forgotten it, because it has been a long time since I have seen the record. I have not seen the record since the investigation. I know the fact otherwise, however.

Q. You were a bidder on the Texas route in 1870?—A. They were advertised in 1870.

Q. Who bid with you?—A. I bid, in connection, at that time, with Mr. Lockwood, I think, and also with Mr. Blake, and possibly, although I have no recollection at this time, with others. We generally combined in our bidding.

Q. What amount of property were you worth at that time?—A. I do not think at that time I was worth \$500. I think I have stated once before that I was poor at that time.

Q. Was that before or after you had the steamship service?—A. That was long afterward. I had been here in Washington, I think, between a year and a half and two years.

Q. Then you were seeking to get contracts, of course, to better your condition?—A. That was my business, and I was continuing it.

Q. Not having the ability, however, within yourself to perform these contracts, except as you might combine to do so with others who did have the capital?—A. You are mistaken. I had the ability to execute the largest contracts that the United States had.

Q. I say not having the ability in yourself to do it from your own capital, and not having the ability, except as you might make combinations or obtain credit to do it?—A. Yes, sir; although I have said that I was not worth \$500, I could, for any contract-purpose, have got, I think, at least \$200,000; and I do not think I am overstating that amount. Ordinarily I would seek myself a partner who had capital. In this case I had one.

Q. Your capital, then, in these contracts which you were proposing to get, consisted in your knowledge of the business, and of such business capacity as you might have to make combinations after you got the contract, in the event that you got it?—A. There was no question. I could execute any contract that I could get.

Q. But that really was your part of the capital in it, your business qualification, your knowledge of the business, and the manner which contracts were got?—A. Not at all.

Q. And such credit as you would have?—A. Credit, if it was used to procure money, would be money. I wish to say to you that there never was any time that I could not get all the money that I wanted; that I was only worth \$500 was because I had an insuperable objection to borrowing. I could have borrowed at that time any amount.

Q. If you had borrowed it you would have owed for it?—A. Yes; but I could have worked it out.

Q. Then I ask you again this question: Your capital was your business knowledge of contracts, and from that such combinations as you might have been able to make, or such credit as you might have been able to obtain?—A. I would naturally, as a business man, make combinations. I was not dependent on any combination. There was no contract

that the Government had under the Post-Office Department that I could not, within twenty-four hours, have bonded and proceeded to execute myself, without any other agencies. I mean by that I have friends who always back me, and back me heavily, in any reasonable or legitimate undertaking.

Q. They back you, of course, on account of your business ability and knowledge of the business?—A. I suppose so.

Q. You had made a combination at that time, I believe, with Lockwood & Blake?—A. I think we were all bidding together, and with no distinct combination between us, but we were personal friends, all from the other coast, and we all bid at the same time. I do not think there was any combination, specially. We were all bidding on those routes.

Q. When did you get this steamship-contract that you spoke of?—A. I think in the fall of 1866. It was a contract from the Quartermaster's Department, originally, and emerged into a second contract from the Quartermaster's Department, and then a contract from the Post-Office Department.

Q. When was the contract from the Post-Office Department?—A. I think it was in 1868. It was, I think, about a year prior to Governor Randall's going out of office.

Q. How much did you get for that postal service?—A. I think it was \$62,500 a year.

Q. How much profit did that steamship-route and the others yield to you?—A. The whole thing gave me as high as \$9,000 a month, and sometimes as low as \$4,000.

Q. Did you own the line of steamers?—A. No, sir; I did not own a steamer.

Q. I believe you stated a little while ago that you were not worth anything at that time?—A. Yes, sir.

Q. How did you get this service done?—A. It will require an explanation, and as you have gone into it I will make a short one. I got a contract in New Orleans from General Sheridan, or rather from the Quartermaster's Department, to do the Government service, transportation of troops and material, or for any purpose that they wanted, to keep up military communication. I got a contract in New Orleans from General Sheridan's quartermaster to do the Government service between New Orleans and Key West, touching at Pensacola, Apalachicola, Saint Mark's, Cedar Keys, Key West, and Tortugas. I subsequently got another contract from the Department of the South, General Pope commanding, to double the service, owing to the military exigencies of the case, I suppose, or for his own reasons. After I got that contract I got one from the Post-Office Department for \$62,000 a year, and with these contracts I went into the market and chartered all the ships, and could have chartered all there were in New Orleans Harbor, and I continued that service up to the time that I lost the quartermaster's contract. In addition to the amount of compensation that I received from the Government, every pound of freight that I carried belonged to myself, and receipts for every passenger that I carried belonged to myself.

Q. To recur to this postal contract; that commenced in 1836, after the war?—A. No, sir; the postal contracts came after the other two.

Q. When did that commence?—A. I think it was in 1868. I think it was just about a year before Postmaster-General Randall went out, because I got the contract from him.

Q. The contract which you got from Randall was for how long?—A. One year; it was only let from year to year.

Q. It was at \$62,000 a year?—A. Yes, sir; that is my recollection.

Q. Who owned the line of steamers that performed this service?—A. The steamers belonged to various parties. The Alliance belonged to some parties in Philadelphia; the Florida, I think, belonged directly in New Orleans; the Tappahannock and the Beaufort belonged to New Orleans; the Lavaco belonged to some parties in Philadelphia. We generally picked up two or three steamers lying around New Orleans to throw them in for irregular service.

Q. You were enabled to pay the owners of these steamers for doing the service out of this postal contract which you had?—A. No, sir; out of all the contracts.

Q. But the postal contract being a part of the pay, you were enabled to pay them for the service and make a profit from the postal portion of it of from four to nine thousand dollars a month?—A. No, sir. I stated that the entire profits of these lines amounted to from four to nine thousand dollars a month. The postal part of it could not pay that, because at \$9,000 a month it would be \$108,000 a year, and I only got about \$62,000.

Q. Did you have all the receipts of these lines?—A. All, except where I carried Government troops.

Q. I am speaking of 1868.—A. I think in 1868 I did.

Q. Passengers, freight, money, and everything?—A. Yes, sir.

Q. You hired the ships?—A. Yes, sir.

Q. And your profit was from four to nine thousand dollars a month?—A. Yes, sir.

Q. The money you got from the Post-Office Department constituted, of course, a part of the profits?—A. Yes, sir; I have no objection to stating to you that all that I got from the Post-Office Department was clear money, and more too. They were good contracts.

Q. Did you make these contracts for these ships for that year before or after you got the contract from the Post-Office Department?—A. I had the contracts, I think, for five of the boats before I got the contract from the Post-Office Department. My contract with the Quartermaster's Department required me to perform service once a week.

Q. I will now drop that portion of the inquiry and come down to 1868. Now as to the other contract. Would you have ran these steamers for the year commencing in 1868, when you took this contract from the Post-Office Department, if you had not got that contract?—A. Yes, sir; I had to run them.

Q. You would have run them anyhow?—A. Yes, sir; I was running them.

Q. Without reference to that contract?—A. Yes, sir; I had a long fight, and it was a long time before I could get the contract.

Q. And all of them were chartered before that time?—A. No, sir; the charter-parties, of course, would ship according to the exigencies of the case. The Alliance and other boats I had continually in the service. The Talisman is one that it suggests itself to me now. Boats were frequently laid up for repairs when accidents occurred, and the service could not be performed with less than six steamers.

Q. Were you the lowest bidder on this route in Texas which you failed to get?—A. No, sir.

Q. Were your bids upon the Texas routes open before or after the passage of the joint resolution of 1870?—A. After. They did not come under that joint resolution; that was specially for the northwestern routes.

Q. That joint resolution, if I understand its import, was prior to the opinion of Attorney-General Akerman, which has been spoken of?—A. Yes, sir.

Q. And in substance provided that where the lowest bidder failed to enter on the contract it should be the duty of the Postmaster-General upon those routes to travel up the list of bidders until he thought the service was too high, and make a contract with individuals?—A. That is so.

Q. Then the practice of the Post-Office Department had been, prior to the letting of 1871, not to travel up the list of bidders, had it?—A. No, sir.

Q. Why the necessity, then, of that joint resolution directing him to do it unless that had been the case?—A. I do not like to make an explanation of why I think a law was passed.

Q. I am asking you if you have any knowledge.—A. I have no personal knowledge. I think I know. I have charged that all legislation has simply been in the aid of combinations, and not to prevent them, and I think that was a part of the legislation. My knowledge in regard to it is that it had been the practice prior to the passage of the joint resolution of 1870 to go up the scale.

Q. Without saying anything about the agencies by which it was passed, of which I know nothing, and of which I do not want you to speak unless you have knowledge, would it not appear from that resolution that the practice had been to the contrary? I am speaking now of a legal inference.—A. It might, and would probably so appear. I will show what the practice was not only from my own statement, but the statement of the witnesses subpoenaed at the investigation—Mr. McClelland and other officials of the Department.

Q. I believe you stated that Mr. McClelland said it had been one way, and Childs and somebody else said that it had not been uniform?—A. Yes, sir; one said that it had been the absolute rule to go up, and Childs stated that it was optional—that the Postmasters-General did as they thought proper.

Q. You, of course, were out of humor because you did not get some of the Texas contracts?—A. Yes, sir; I was.

Q. Were you the lowest bidder on those routes?—A. No, sir; I was not.

Q. Lockwood was out of humor, too, was he not?—A. Yes, sir.

Q. And Farrar also?—A. I am not aware that Mr. Farrar was a bidder at that time. I do not think he was.

Q. In what capacity was Farrar acting? Was he acting as Lockwood's attorney?—A. Yes, sir; he was Lockwood's attorney. He belonged to the firm of Farrar & Gray, on Pennsylvania avenue.

Q. I believe you stated yesterday that you and Lockwood and Farrar acted together or consulted together in regard to this Patriot article, and then came the investigation?—A. Yes, sir; we consulted more or less about all these matters.

Q. You were, as I believe you stated yesterday, acting together upon that matter?—A. Yes, sir; that is, we had a common interest in having this thing exploded, and worked together for that purpose.

Q. You were jointly trying to explode it?—A. Yes, sir.

Q. And that continued up to the time of the investigation?—A. Yes, sir; I believe so.

Q. And also during the investigation? Lockwood was still desirous of the matter being exploded through the investigation, was he?—A. I suppose so.

Q. What do you know, if anything, about Mr. Lockwood or Mr. Farrar, prior to this investigation and prior to the Patriot article, approaching Mr. Barlow for the purpose of getting some money out of him?—A. Nothing at all.

Q. Then if \$40,000 was paid to one of your confederates—and I do not speak of a confederate now in an objectionable sense—if it had been paid to Mr. Farrar as attorney for Lockwood or otherwise while you were acting together in that investigation, did you get any of the money?—A. I do not exactly understand you.

Q. If \$40,000 was paid to one of your confederates or to both of them—either Mr. Lockwood or Mr. Farrar—pending that investigation, I want to know whether you got any of the money paid by Barlow?—A. No, sir; I got no money. There is a better word that can

be used than the word confederate in that regard, because it implies a league in a transaction that you want to bring out, which I had nothing to do with, and you couple it with transactions which were perfectly harmless in themselves.

Q. I spoke of confederates in this sense—that from your explanation during the investigation, and prior thereto, you had been making common cause in seeking to do away with these contracts?—A. Mr. Lockwood and myself especially, and Mr. Farrar, acting as Mr. Lockwood's attorney at that time.

Q. It does appear from the evidence of Mr. Barlow that one or both of the parties or one of them upon the suggestion of Lockwood got \$40,000 pending that investigation, for the purpose, as he states, of not having the investigation pressed by parties who were pushing the same outside of Congress and outside of the Department, and I wish to know whether you got any of the \$40,000?—A. I have answered very distinctly and positively that I had no knowledge of the \$40,000 until I saw it published in the paper at Harrisburgh on last Saturday.

Q. Did you have any conversation with Mr. Farrar in reference to your being employed as an attorney of Barlow & Co. pending that investigation?—A. Yes, sir; I had.

Q. State that conversation.—A. As to the precise character of the conversation as it occurred at the time, I cannot recall it except the general fact. Mr. Farrar was the second party who approached me on behalf of Mr. Barlow and his associate contractors, urging generally that there was no obligation resting upon me to push this investigation—that it would compensate me better if I would not—that it was an investigation not on my part but got up by the chairman of the Post-Office Committee, and asking me to act in behalf of Barlow, Sanderson & Co.

Q. Your reply to him was that you declined?—A. My reply to him was, I think, that it would be utterly impossible to suppress it—that the thing had gone to print—the charges were made; they were in the possession of the committee; that Mr. Van Trump and every member of that committee were cognizant of every fact in connection with it, and that the thing could not be suppressed even if there was any inclination. I knew Mr. Farrar very well. I think his offer was intended as a friendly one, and we talked of it in a friendly way.

Q. Did he state to you that he came from Barlow authorized to make that suggestion to you?—A. I do not know exactly what he stated; he certainly conveyed that impression, or that he came from some of that party. Others were in it. Mr. Huntley came to me originally.

Q. Was your action influenced in any way by that statement in conducting the investigation or in any matter touching the same?—A. I do not think it was in any possible way. I will state in that same connection that there was very little animosity between myself and contractors. The quarrel that I had was with the Post-Office Department.

Q. How soon after this investigation was over was it that you became the attorney for Barlow?—A. It was not a long time afterward. The exact time I do not know.

Q. Was it understood before the investigation closed that you were to be, or would be, attorney for Barlow?—A. No, sir; it was not understood nor would I as a business man have had any such understanding, because when the investigation was closed they could have employed me or not just as they thought proper.

Q. Then you have no information or believe they would employ you before the investigation closed?—A. Nothing further than that I might infer from the fact that they had wanted me, and that I had a knowledge of Post-Office matters that made me valuable to any contractor, and particularly to the large contractors.

Q. Then from that time to this you have ceased to contract and become the attorney of Barlow, Sanderson & Co.?—A. No, sir; there is no obligation not to contract, except the implied and honorable obligation on the routes that are run by the men who have employed me.

Q. Have you ceased to be a contractor since that time?—A. Yes, sir.

Q. Have you any knowledge of any money being paid pending that investigation to any member of the Post-Office Department?—A. I have not.

Q. Or to any member of Congress or anybody else in official position?—A. I have not; and I am not aware that I ever heard any report even to that effect.

Q. You spoke of getting sick. What time was it that you became sick so that you could not be present at the meetings of the committee?—A. I think it was the third or fourth meeting of the committee.

Q. That was probably in January?—A. I do not know exactly.

Q. How long did that sickness continue?—A. My impression at this time is that it was nearly three weeks.

Q. Was that before or after Farrar and Huntley had sought to employ you as an attorney for Barlow, Sanderson & Co.?—A. I have no doubt that it was after.

Q. When you got well again, was the investigation still progressing?—A. During the time that I was sick I stated, I think, and I would like to repeat it now, if I did state it before, I received an intimation that the committee was about to adjourn and attempt to close up this examination.

Q. Who did you get that intimation from?—A. I cannot say who gave it to me. I simply know that I acted on it and that I sent a note to Mr. Farnsworth, chairman of the com-

mittee, requesting him not to adjourn that committee, that I would be able to attend the next meeting, and I sent for Mr. Van Trump and Mr. Carroll, who called upon me, and I wanted particularly to show them that I was unable to attend, and to caution them against any adjournment of the committee.

Q. Did the committee adjourn or not?—A. They did not.

Q. How long after you got well was it before the committee ceased investigating and made the report?—A. I do not recollect the exact period. I was quite unwell at all the subsequent meetings of the committee, at all times.

Q. Was it before or after your sickness that the bill spoken of in the majority report of the committee was reported to Congress? I mean Mr. Farnsworth's bill.—A. I cannot recollect exactly the date that it was introduced.

Q. It was introduced, I believe, as a matter of fact, while the investigation was progressing?—A. I cannot speak positively in regard to that. I recollect the introduction of the bill and its provisions, and it may have been while the investigation was going on, because I recollect distinctly pointing out to Judge Van Trump what I considered was involved, that did not appear on the surface of the bill—the extraordinary powers that it proposed to confer—and asking him to oppose it. I also sent to Mr. Niblack and some eight or ten gentlemen to keep a lookout for that bill.

Q. The power that it was proposed to give to the Postmaster-General was, that where service failed by a contractor, he might go to the next bidder, and in the event of his failing to take the service, then he might go to anybody in the world at a price not exceeding that bid before he went to the next bidder?—A. I think it was something to that effect.

Q. I believe you have stated that your representations concerning the propriety of this legislation to Judge Niblack, who was in Congress at that time, were of that nature that Judge Niblack was unable to defeat that provision in the bill?—A. I think the occurrences were briefly as I stated them. I do not think on the floor of Congress they were much longer.

Q. What the judge did say appeared to settle the matter, as I understand you?—A. It settled it right there. The expression was, I recollect it distinctly, "Too much cat and too little meal."

Q. Then without speaking of the merits of the bill at that time, as to whether it was well conceived or not, the fact is that upon your solicitation and representations to Judge Niblack and others the bill was defeated or those provisions in it, as you have stated. Through your representations to Niblack and others the bill was defeated by this remark that you spoke of?—A. No, sir; the word defeat, I think, was wrong. The bill did subsequently pass with that provision in it. It passed as it was reported, but at that time it settled the matter. It was subsequently passed. I made the inquiry of Van Trump, and, I think, of other democratic members, how it happened to pass, but they were all absent when it passed. I then went to the Senate, and using what influence I had in opening the matter, it failed to become a law. I do not say that I did this thing, but I helped to do it.

Q. It did not become a law in 1872, I believe you stated?—A. I was not acted on.

Q. Suppose there are three bids, one by A \$20,000 on a route, one by B \$10,000, and one by C \$5,000. C gets the contract and fails. The bill proposes, as I understand it, to give the Postmaster-General authority to contract with anybody, whether a bidder or not, at any rate between \$5,000 and \$10,000?—A. I do not think that bill did.

Q. What did it propose?—A. I think it proposed that where there was a failing bidder the Postmaster-General should be authorized to contract with any party without any reference to the other bidders.

Q. At a higher rate than the next bid?—A. At any rate that might be determined upon between the Postmaster-General and the contractor.

Q. Without offering it to the next bidder?—A. Without offering it to the next bidder. That is my impression; I may be in error.

Q. That was the substantial provision of the bill reported in 1874, was not it?—A. With some modification. I think possibly the last bill had the modification that you now speak of, but carrying my memory back, I think that the first bill had not.

Q. Still you opposed the last bill, I understand, for the reason you thought it would give the Postmaster-General too much power?—A. Yes, sir.

Q. You were, I believe you stated, efficient in defeating it?—A. I took very little active part in the matter at all. I think the only person I ever spoke to in regard to it was Mr. Marshall, of Illinois, and he differed with me and voted against my view.

Q. The last bill did pass the House as you have detailed?—A. Yes, sir.

Q. Now, in reference to this minority report. I believe you stated that you wrote it?—A. Yes, sir.

Q. And after you wrote it you met Mr. Van Trump and Mr. Carroll of the minority of the committee?—A. Yes, sir; and I think Mr. Randall also; but I met them several times.

Q. And canvassed this report with them?—A. Yes, sir. What I stated was, that in fixing up this report there were several interviews between Van Trump, Carroll, and myself. I had great trouble in getting them together.

Q. Did you have any interviews about it with Mr. Randall?—A. I think I had. I am sure I had, although I cannot recall them distinctly at this time.

Q. I believe you said in your examination that Mr. Carroll objected to your report and thought it was too strong?—A. Yes, sir.

Q. Do you mean too strong in condemning the Department?—A. No, sir.

Q. I believe you also stated that you said to Mr. Carroll, "If they wanted a whitewashing report they would have to write it?"—A. No, sir.

Q. What did you say in reference to that?—A. Mr. Carroll found the same fault that was found with the article that I published, that things were spoken of in a very plain manner and that more gentle and milder words could be used. The original report concluded with recommending that the President be requested to dismiss from his Cabinet the Postmaster-General. That was one of the features of it that Mr. Carroll had stricken out, and desired to substitute the language that he merited the censure of the House, considering that sufficiently strong. Then Mr. Carroll, in addition to that, said that he was sick, as was true, and was not much in the House or in his seat or at the committee, and he did not want to get into any squabble on the floor; and he thought it had better be drawn in that way.

Q. At what point did you make the remark to the minority, or any of them, that if they wanted a whitewashing report they would have to write it themselves?—A. I never made that remark.

Q. What did you say?—A. I said if they wanted a sugar-coating. The difference between whitewashing and sugar-coating was that he wanted a mild, lady-like dose, and I wanted a dose that a man would have given in the report. But Mr. Carroll never desired or showed any inclination to whitewash.

Q. You said, if you prefer the term, that if they wanted a sugar-coated report they would have to write it themselves?—A. Yes, sir. I was only sticking to my own phraseology. I would like the committee to ask me a question. There was a publication made in the city of Washington that I was paid \$50,000 for writing the majority report. I would like to get the record right about that. The fact is, that I wrote the minority report. The statement is, however, still out that I wrote the majority report too.

By Mr. WADDELL:

Q. Is that true?—A. No, sir; that is not true. These are unpleasant reports to get into the papers, and I want, wherever there is an opportunity, to state the fact correctly.

Q. Do you know of any fraudulent or corrupt action by Mr. Creswell; bribery, or anything of that kind?—A. I have no personal knowledge of anything of that kind. I have inferentially made charges, but I have no personal knowledge.

Q. It is a matter of argument from your article in the Patriot, or something of that kind?—A. Similar facts, that is all. I have very little intercourse with Mr. Creswell at any time. We are friendly enough, but these attacks made my relations with the Department, of course, unpleasant. I very rarely go there.

Q. I believe you stated that straw-bidding could only inure to the interest of parties who had the stock upon the routes?—A. That is my impression, as far as I can see.

Q. What could be the object, then, of parties bidding upon these routes who have no money and no credit?—A. There could not be any object. I do not think they ever did. That is, I do not think that anybody ever bids on a route at a rate that would make it ruinous to himself. The contractors bid to make money.

Q. Was it to the interest of Barlow, Sanderson & Co. to defeat the Farnsworth bill?—A. I certainly did not think so at that time. I thought it was in conformity with their interest, for the reason that I thought the general interest of the contractors was to go up the scale instead of by private contract.

By Mr. CANNON:

Q. Then why did you, as their attorney, oppose the passage of a similar bill in 1874?—A. I opposed it because I was their attorney.

Q. But you did not want to oppose their interest, did you?—A. I was not opposing their interest. When I was acting for them as their attorney I acted as they desired.

Mr. WADDELL. You do not understand him.—A. Yes, I do. He asked about the bill of Farnsworth, about the time of this investigation. I said at that time I thought it was in their interest, and that was one of the reasons that I wanted it defeated in the interest of those who had the *entrée* of the Post-Office Department. In 1874, when the bill was up again, the bill giving the Postmaster-General authority to contract under the provisions of that bill was opposed by Mr. Barlow and opposed by myself. The circumstances of the men had changed; at least my relations to the parties had changed during that period.

By Mr. CANNON:

Q. Were they mistaken about it? Would it have been, in fact, to their interest?—A. That was a matter for their own judgment. My impression is still that it would have been in their interest.

Q. Supposing the bid on a route is \$20,000 by A, another \$10,000 by B, another \$5,000 by C. C enters upon the contract and fails. In the mean time the other two bidders are discharged, so far as the Government is concerned, and their checks surrendered. What harm could it do to give to the Postmaster-General power to enter into a contract with anybody in the world at a rate anywhere between five and ten thousand dollars, the amount of

the second bid?—A. I would object to it, because it would be unjust to contractors. The Post-Office Department advertise their routes, and I and you and other parties become bidders there. I don't think it would be just that we should be excluded as bidders for the benefit of those who have neither gone to the trouble or expense.

Q. But in the case that I put, under the legislation that is now proposed, and was proposed in 1874, the bidders at \$20,000 and at \$10,000 are discharged. I am saying nothing about the interest of contractors, but would it not be clearly to the interest of the Government to throw it open, if they could, and get a contract anywhere from five to ten thousand dollars?—A. I have no doubt, if the law was strictly administered, or any law that might be passed looking to economy, that it would be a benefit.

Q. Your theory is, I believe, that there is sufficient legislation now, and that nothing additional is needed?—A. That is my judgment, apart from my relations as attorney or anything else. I think that the complicated legislation has interfered with the successful and economical working of the Department. The committee can well understand that from the complicated way in which parties have to approach the Post-Office Department, and the fact that their money is tied up there in many instances—on all important routes, at least—and that the tendency is to prevent bidding instead of encouraging it.

Q. State if, in your opinion, you do not think any law in reference to the postal contracts the administration of which will enable a man or men who represent no capital whatever to get contracts and make very considerable profit off of the same, by farming them out to others who do have capital, is pernicious and should be remedied.—A. I have no hesitation in answering that question, that I think all laws which bring about results of that kind are objectionable.

By Mr. WADDELL:

Q. Mr. Cannon has asked you about your conversation with Mr. Van Trump and Mr. Carroll, and these other gentlemen, and the influence you used with them. Why did you communicate with the democratic and not with the republican members of that committee?—A. I suppose that the answer will suggest itself, that I did not expect any investigation would be thoroughly carried through—and I say that with all due respect—by the republican side of that committee. Minorities are always fighting, and always wanting facts which will injure the other party, and I thought they were the ones who would be most likely to bring things out. At any time I would have done the same thing. If I was going before this House I would go to the republican side, because they are a minority. I would do that if I wanted things brought out which would hurt the democratic party, or any of its men in position.

Mr. CANNON. Let me supplement that question by another: Why did you go to democratic members of the House when you wanted to defeat the Farnsworth bill of 1872, or some provisions in it?—A. That probably would arise from the fact that my acquaintance was almost exclusively among the democratic side of the House, and a certain number of men only were necessary to interfere with the passage of the bill, and I naturally went to those I was acquainted with. The relations which I had at that time with members of Congress were with the men of that party.

Q. Theodore Lee was the lowest bidder on the Oroville and Portland route, I believe, on the lettings of 1871, was he not?—A. I do not recollect.

Q. Allman's bid was in the neighborhood of \$95,000, was it not?—A. Allman's bid was \$95,900.

Q. Then the Postmaster-General run up to that bid. What was Gilmore and Salisbury's bid?—A. \$98,400; Allman's bid was for six times and Salisbury's for seven times per week.

Q. Then Allman's was amended on affidavit that he intended to make it seven times?—A. It was.

Q. After Lee failed, then the Department went to Allman, Gilmore and Salisbury claiming at their bid?—A. Yes, sir.

Q. It was awarded, however, to Allman. Allman, although he had given assurances that he would accept, failed to accept. Then it was offered to Gilmore and Salisbury and they failed?—A. I am not aware of that fact.

Q. It so appears from the record.—A. My recollection is that they did withdraw until they reached a bid amounting to somewhere about \$170,000.

Q. That was Carr's bid, was it not?—A. Yes, sir; it run to \$170,000.

Q. Then, under the resolution of 1870, the Postmaster-General, under the construction which he gave it, permitted the man who had the \$170,000 bid with two others one of them being Barlow, to put in bids privately as to what they would do the service for, and Barlow & Company bid \$134,000, did they not?—A. Yes, sir; that was the original amount.

Q. That was \$36,000 less than Carr's bid?—A. My memory does not serve me in regard to that. It was a \$170,000 bid. All the bids were withdrawn. The next highest bid he could let it at was \$170,000.

Q. Yet, either under an improper or proper construction, and I am not speaking about its propriety at this time, he said to those three men, I won't let this route at \$170,000, but I will receive proposals now from you three. Those proposals were submitted, and Barlow agreed to carry it for \$134,000?—A. Yes, sir.

Q. And he awarded the contract to him. That was a saving of \$36,000 a year, the contract running for nearly four years, over what would have been saved if he had contracted for \$170,000, was it not?—A. Yes, sir.

Q. Then, if there was any violation of the law or any construction that was not proper at that time, it resulted in a saving to the Department of nearly \$150,000 for the contract term?—A. Yes; if you take that view of it, it did.

Q. I am asking you if it did not do so?—A. Yes; with that view of it, it did. In connection with the whole transaction it lost money.

The CHAIRMAN. You say it was a saving of so many hundred thousand dollars. Suppose it had been re-advertised and the bid of \$98,600 had come in again at the end of six months?

Mr. CANNON. Then it would have been an additional saving, would it not?

The WITNESS. Yes.

The CHAIRMAN. But it was not re-advertised?—A. No, sir.

Mr. CANNON. But is it not true that Gilmore and Salisbury, who had the bid at \$97,000 or \$98,000 after Allman failed, failed to take the contract at that price?—A. Yes, sir.

Q. And they might have put in a bid at \$98,000 or might not. You do not know what they would have put in a bid at, of course?—A. No, sir.

Q. Nor do you know whether Barlow & Co., or Carr, or anybody else paid Gilmore and Salisbury anything not to take it at \$98,000?—A. No, sir; I do not.

Q. Gilmore and Salisbury, I believe you say, were responsible contractors at that time?—A. Entirely so.

By Mr. CANNON:

Q. Have you read the evidence in the case of the investigation of 1874?—A. I have, but the impression that it has made on my memory is very slight. When the evidence was furnished me, I ran over it casually to see what was in it, and I set the whole thing down as amounting to nothing; that is, that the character of the evidence brought there had no particular point. One point I would like to make in explanation of the question I was asked, why I did not attend its sessions. I did not, because at my own request I preferred remaining away. That was a request made to Mr. Barlow.

Q. I believe you stated that these charges originated with Mr. Holbrook and Mr. Pendleton?—A. I have only the general impression and belief in regard to that; I do not know positively; I have heard, particularly Holbrook through a number of years—for the last two or three years speaking about these things—about ripping up that and ripping up other things, and my impression is that they originated there. I do not know but what in conversation with some of the committee I may have heard so.

Q. Do you know whether Mr. Holbrook was before the committee and his name given to the committee as a witness in the investigation of 1874?—A. I am under the impression that it was, although I may be wrong; not being in the committee and not charging my memory with what I did not consider of any importance, I do not remember. I cared nothing about these investigations so far as my clients were concerned.

Q. Why did you care nothing about them?—A. I never thought they would amount to anything.

Q. Were they about the same matters, so far as your clients were concerned, which were investigated in 1872?—A. The contracts had all expired. They had all gone out of existence, and all that these gentlemen proposed to do was simply to bring up matters that could not at that time be corrected, and if they established everything they wanted to, all that they said they could establish, I would have said just the same thing.

Q. They were the same matters brought up in the investigation of 1872?—A. Yes, sir.

Q. And about which this evidence of which you have spoken was taken?—A. Yes, sir; after that investigation there was, as I know from my connection with Mr. Barlow, constant efforts made to get the thing up again and again. It was for no public good. I do not know that I myself started this investigation for any public good. If that was the result of it, I was perfectly satisfied. I was angry, disappointed, and anxious to get to work in Texas. I was anxious to go there to live, and I did not think that I had a fair chance in the Post-Office Department, and I went to work to make it.

WASHINGTON, March 23, 1876.

S. S. HUNTLEY sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. Generally, at Helena, Mont. Sometimes my address is there, sometimes here, and sometimes in Idaho.

Q. What is your occupation?—A. I am in the stage business as a stage contractor.

Q. A contractor for carrying the mail?—A. I am a contractor and connected with mail business as superintendent, &c.

Q. Are you a member of a firm?—A. I am a member of two or three different firms.

Q. Please give a general statement of the different firms with which you are interested.—
A. I have been interested with C. C. Huntley ; he is my cousin ; people call him a brother of mine, but I am his cousin.

Q. What routes and in what part of the country were you interested with C. C. Huntley ?
—A. In Nebraska, Wyoming, Montana, and Idaho. I am also interested with him, I think, in Washington Territory, Oregon, and California. I supposed I was and suppose I am, although I have no writing to that effect.

Q. Have you also been interested with other firms ?—A. I consider myself a member of what is known as the California and Oregon Company and the Northwestern Stage Company. I have acted so for the last two years.

Q. Is the California and Oregon Company and the Northwestern Stage Company the same thing ?—A. No, sir.

Q. Who compose the California and Oregon Company ?—A. Mr. Barlow, Mr. Sanderson, and C. C. Huntley. The California Company is known as Barlow, Sanderson & Co. I consider myself also a member of the firm.

Q. Who are the members of the Northwestern Stage Company ?—A. That is known as Barlow, Huntley & Co.

Q. Who is interested in that ?—A. Mr. Barlow, C. C. Huntley, myself, I consider, and Mr. A. E. Smith.

Q. Where does Mr. Smith reside ?—A. I think he resides either in Baltimore or Saint Louis.

Q. Have each one of these organizations separate headquarters for business ?—A. Yes, sir.

Q. They have separate books and separate headquarters ?—A. Yes, sir.

Q. Where is the headquarters of the California and Oregon Company ?—A. Yreka, Cal.

Q. Who is the book-keeper of that company ?—A. Mr. Burroughs.

Q. Where is the headquarters of the Northwestern Stage Company ?—A. Boise City, Idaho.

Q. In your testimony speaking of a Mr. Barlow, you have reference to Bradley Barlow ?—
A. Yes, sir.

Q. Are the offices which you have mentioned the only offices of these firms ?—A. Yes, sir.

Q. The books of all the mail-routes which you are interested in are kept at those two places ?—A. Yes, sir.

Q. You say you consider yourself interested in these companies ; state why.—A. I have nothing to show that I am, except verbally. C. C. Huntley and I have had dealings for a number of years, and there is considerable unsettled business between us, and it is very difficult to settle. We agreed to settle if I had a half-interest with him, which was agreed upon between he and I. That was some time ago. He has been very unwell for over two years, and has been out of his head for a considerable part of the time. Just before this, while he was sick, but before he was very sick, he agreed to that settlement, and afterward he was very sick in New York ; went to Europe, and staid there for several months, and came back not much improved ; and several months after that we had a sort of settlement, or tried to have a settlement, and he did not remember it. After he did agree upon this, he very soon was out of his head entirely with paralysis of the brain, or something of that kind, and we had not time to fix up any documents. When we did have a settlement here, just three months ago, he denied it. There was twenty or twenty-five thousand dollars difference between us ; and I said that it did not make any difference whether he considered me as half-owner with him or not, that we could figure up the old account ; and I would prefer to settle and figure up the old account. That would take some time. I said I would take what was really coming to me, or he could give me the other interest, and wipe everything out.

Q. You have been spending money all the time, have you ?—A. I have been in charge of the company up there ; that is, I have superintended the business as though I was owner, without any settlement except his say-so.

By Mr. MILLER :

Q. Have you had a part of the profits ?—A. I have never had any profits.

By Mr. AINSWORTH :

Q. Then you were a half-owner of the stock and capital, which was invested in this firm by C. C. Huntley, were you ?—A. Half-owner of C. C. Huntley's interest.

Q. Did Mr. Barlow know the fact that you were thus interested ?—A. No, sir ; he did not.

Q. How came you to be the owner of one-half interest of this stock of Huntley's ?—A. We had unsettled accounts which were of several years' standing, and to settle up what his indebtedness was to me, I agreed to settle my claim against him for his half-interest in what was known as the California and Oregon and the Northwestern stage routes.

Q. But that contract he now denies ?—A. Yes, sir.

Q. Did you furnish any capital or any of the stock ?—A. I furnished my account against him.

Q. But I mean at the outset. When you and he commenced doing business there, who furnished the stock and capital ?—A. We were in business first in Montana together.

Q. Each owning a one-half interest?—A. The interest was very slight when we commenced. I had very little capital.

Q. Had he more?—A. Very little; I do not know how much.

By the CHAIRMAN:

Q. You mean you both began poor?—A. We were boys, comparatively.

By Mr. AINSWORTH:

Q. And what there is now was made by you and he together in business?—A. We have made mostly what is there.

By Mr. CANNON:

Q. Whatever interest you have is between you and C. C. Huntley, and without Barlow's knowledge?—A. He knows nothing of what is between C. C. Huntley and myself.

By Mr. AINSWORTH:

Q. Barlow only knows you as the business manager of C. C. Huntley?—A. Yes, sir.

By the CHAIRMAN:

Q. I understand you to say that you have been the manager of C. C. Huntley's business. In that management have you had settlements with Mr. Barlow as the agent of Huntley & Co.?—A. I have only been interested in that since 1874, I think, or when the last contracts commenced. It will be two years next July. I have been interested in those two companies, the California and Oregon and the Northwestern Stage Companies, since July, 1874.

Q. The Northwestern Stage Company take in a number of routes, does it not?—A. Yes, sir.

Q. Is the route from Kelton to The Dalles one of the routes of the Northwestern Stage Company?—A. Yes, sir.

Q. Also the route from Winnemucca to Boise City?—A. Yes, sir.

Q. The partnership, then, between Huntley and Barlow began in 1874. It does not go farther back than that, does it?—A. Yes, sir; it commenced a number of years prior to that, but I did not go in until July, 1874.

Q. How did that occur?—A. C. C. Huntley and myself had business in Montana.

Q. Your cousin, then, interested himself with Barlow without you when he first began?—A. Yes, sir.

Q. Who did his business then before you?—A. He did his own business.

Q. You did not attend to it for him?—A. I attended to what he and I were interested in, and he attended to what I was not interested in.

By Mr. AINSWORTH:

Q. Then, if I understand you, in 1874, in the business between yourself and your cousin, in Montana and Idaho, there was a balance due you?—A. Yes, sir.

Q. And for the purpose of canceling that balance there was an agreement between yourself and cousin that you should have the one-half of his interest in Barlow, Huntley & Co.'s contracts?—A. Yes, sir.

Q. That was to cancel his indebtedness to you?—A. Yes, sir.

Q. Was Barlow in any way interested in contracts in Idaho and Montana? I mean the other contracts, and the other business between yourself and your cousin?—A. No, sir: Mr. Barlow knows nothing more about our business in Montana than any gentleman here.

By the CHAIRMAN:

Q. You didn't know anything about the business of Barlow & Huntley then?—A. I did not, definitely.

Q. What do you mean by "definitely"?—A. I mean profits or losses.

Q. Did you ever hear any conversation particularly and specially between Barlow and your brother in regard to that business?—A. I have seen them together for four years, and have overheard conversations.

Q. Do you know whether they had any difficulty in settling their accounts or not?—A. I do not know as they ever had any difficulty.

Q. In the conversations which you have heard between Mr. Barlow and Huntley, have you ever heard the amount of expenses that were incurred in Washington City discussed or talked about?—A. I have heard of expenses being incurred.

Q. From whom did you hear that; was it from the firm?—A. That the firm had incurred expenses.

Q. What did you hear from them about it?—A. I do not know that I ever heard anything definitely, except that the expenses were enormous, or something of that kind.

Q. You heard no particular transaction alluded to?—A. No, sir; I do not know that I ever did.

Q. If you had heard them discuss any particular transactions do you think you would be likely to remember them?—A. I think I would.

Q. You then think that you have not heard Mr. Barlow speak of any particular transaction that had occurred here, in which the expenses were great or enormous?—A. No, sir; I am positive I never heard either of them say anything about any transaction.

Q. What did they say caused the enormous expense here?—A. I do not know; different men. I do not remember any names. I do not know that I ever heard any names. I know they paid a great deal of money for different purposes; that did not interest me, and I know they were not anxious for me, or willing even for me to understand it.

Q. For what purpose did you understand from them that they had paid it out?—A. To different parties here in Washington, as I understood, for expenses here in Washington.

Q. What different parties?—A. I never knew who the parties were.

Q. Do you mean by parties single individuals?—A. I do not know whether it was individuals or who it was.

Q. But you understood that they paid out money to two separate parties?—A. I did not say to two separate parties, but I know they paid a good deal of money in Washington; that is, I do not know that they did. I did not have any figures, and it was only my impression, by overhearing their conversation, that they paid out a great deal of money here for certain purposes.

Q. You do not know who the parties were, and you do not know what it was for?—A. No, sir.

Q. How did they criticise it or talk about it?—A. They generally whispered when they had a little private something which they did not wish me to understand. I do not suppose I ever overheard any more than they wished me to. I never was very anxious to understand it myself.

Q. Who attended to the business when they were interested before you went there; who was the manager in their business before you went out there?—A. C. C. Huntley was general manager.

Q. Were you and he intimate friends?—A. Yes, sir.

Q. Did you live together?—A. Yes, sir.

Q. Did you not confide each other's business?—A. Well, we thought we did; but I do not think we did altogether. He thought he understood all of my business, but I do not think he did. I do not know whether I understood all of his business or not.

Q. Then you think there was not a complete understanding?—A. I do not think there was. There was supposed to be.

Q. In the business between you and Huntley was that Missoula and Walla Walla route one of those routes?—A. That was one of C. C. Huntley's and my own.

Q. Did your route extend from Helena and Missoula and Walla Walla?—A. We had a route from Helena to Missoula and from Missoula to Walla Walla.

Q. That is a long route, is it not?—A. It is probably over six hundred miles from Helena to Walla Walla.

Q. You are familiar with the route and the country around there?—A. Yes, sir; most of it I have been over.

Q. Give a general description of the country through which it runs, beginning at Helena and going to Walla Walla, stating the names of the towns, post-offices, and settlements from one end of the line to the other, as it existed when you took the route.—A. I could not give all the post-offices, but I can give some of the points; from Helena to Blackfoot is thirty miles. There are two post-offices between. From Blackfoot to Deer Lodge is thirty miles; from Deer Lodge to Bear Town is about forty or fifty miles; there are three post-offices between. It is forty or fifty miles from there to Missoula or Hell-gate, and there are no post-offices between. That we always call about one hundred and fifty miles. It was then about sixty miles from Missoula to Cedar Creek; and very nearly four hundred miles from Cedar Creek to Walla Walla. On that route, from Cedar Creek to Walla Walla, there was Saint Ignatius and the Mission and Horse Plains and Pend Oreille; also Spochan Bridge. There are several offices there. Different routes run in there. I think there was Pine Grove, Tukannon, and Waitsburgh. I think that is about all.

* Q. Are you describing this route as it was when you took it and as it was when the mails were first put on?—A. I think there has not been much change that I know of. That is as it was when we quit it.

Q. Is it a difficult route or is it an ordinary route?—A. It is a very difficult route.

Q. What was the manner of performing the service; by horseback or mail coach?—A. Both.

Q. How far by mail-coach or how far by horse?—A. We ran a common Concord coach from Helena to Deer Lodge, about sixty miles, with six horses. It was about sixty miles through Blackfoot to Deer Lodge. It was the best of service. Helena was on one side of the Rocky Mountains and Deer Lodge on the other. Helena was the largest town in the Territory and Deer Lodge was about the third town.

Q. How did you perform it from Deer Lodge on?—A. We have performed it from Deer Lodge clear through to Missoula with four horses, and sometimes with four horses from Deer Lodge to Beartown, and two horses from there to Missoula, and sometimes with four horses from Deer Lodge to Gold Creek, and two horses from there through Beartown to Missoula.

Q. How was it from Missoula to Walla Walla?—A. We sometimes ran a four-horse stage. I think I left out one of the post-offices on that route, called Frenchtown, about twenty miles from Missoula. I am not positive that it was on the route, but we went

through there and I think it was. We used to run sometimes four-horse stages to Frenchtown. When Cedar Creek was first struck there was a very large, important camp with several thousand people in it, and we used to run a saddle-train, or pack-horses and saddle-horses.

Q. How far did you run with saddle-horses?—A. About forty miles.

Q. Was that across the mountains?—A. It was on old Mullin's road; not much of a road, and difficult. Afterward we ran stages down about fifty miles farther, and saddle-horses ten miles up into the gulch.

Q. Did you perform the service through winter and summer on that route?—A. Yes, sir.

Q. Were you up at Helena then?—A. Yes, sir.

Q. Do you mean that you never missed any trips?—A. We never missed any trips; we never varied ten minutes from starting at 5 o'clock in the summer-time and 6 o'clock in the winter-time from Helena.

Q. Do you remember what your original pay was on that route when you first took it?—A. I do not.

Q. Was it not \$22,000?—A. You are covering the two routes now.

Q. I will take the route from Missoula, then, to Walla Walla?

WITNESS. Do you mean the original pay from Missoula to Walla Walla? I think that was about \$22,000. That was once-a-week service from Missoula to Walla Walla.

Q. How much was it from Missoula to Helena?—A. I do not remember; I think about \$20,000. We had two contracts from Helena to Missoula. The first was temporary.

Q. How long did that last?—A. Five months; that is my remembrance.

Q. Then your regular trip began?—A. Yes, sir; I think some man failed then.

Q. What was your first compensation from Helena through to Walla Walla on the entire route per year?—A. We had a special, first, from Helena to Missoula. That was for five months.

Q. Do you remember what you received for that special per year?—A. I do not remember. I know what I paid to carry it. I sublet it for three months.

Q. What did you pay to carry it?—A. Twenty-five hundred dollars in gold a month, or \$3,125 in greenbacks. I paid that monthly for three months. Then I bought the stock which these parties had on the route and ran it two months myself. At the end of two months I added in my pay from the Post-Office Department and my receipts on the route and paid my subcontractors for three months, and paid them for their stock and came out just even. I had paid for the stock in five months. In five months' time I had paid all bills on the route with my receipts on the route and with my post-office pay, and was just the stock ahead that was on the route.

Q. The stock, then, was your profit?—A. Yes, sir; the stock was my profit in five months, only running it two months myself.

Q. Barlow was not interested in that route, was he?—A. No, sir; he was not.

Q. Have you any knowledge of the quantity of mail-matter that passes from Missoula to Walla Walla?—A. I was often over the route from Helena to Missoula and to Cedar Creek, but seldom from Missoula to Walla Walla. I do not know of my own knowledge of the mail from Missoula to Walla Walla. Sometimes it was pretty heavy for part of the way. It was generally pretty heavy, say two or three hundred pounds leaving Missoula; may be two hundred pounds from Missoula as it left every day; and one or two hundred pounds, or something like that, as it left Walla Walla coming this way. In the middle of that route there was not much of a settlement; for a long distance it was very difficult. I know they used to leave Walla Walla on a buck-board. All I know about the weight was that it was too heavy to pack on a horse, and it was too heavy to pack on a horse in Missoula, but in the middle it was horseback; not only that, but I know, in the middle, they put a man to walk without a horse and paid him his expenses and wages, and added to it what it would cost to take care of a horse—a hundred and fifty dollars a month or something like that.

Q. Were the accounts of your company kept at Helena?—A. They were partly kept at Helena; all the receipts were kept at Helena.

Q. Where was the general account rendered of your business, and your cousin's business?—A. All the receipts were kept at Helena, and all collections were made here in Washington.

Q. Who collected the receipts at Washington?—A. C. C. Huntley; he was here most of the time; he had a lawsuit that kept him here two or three years steady.

Q. How did your firm keep their accounts as to the money paid out for any purposes?—A. Whatever money he paid out he kept accounts here.

Q. Did he transmit the amounts there?—A. No, sir; he did not.

Q. How did you find it out?—A. I do not know it.

Q. You never knew what he did here?—A. I do not know how much he paid out.

Q. Was there no account ever rendered to you about it?—A. On a good deal of that I never had any settlement.

Q. What was the reason that you could not settle—because you thought he charged you too much?—A. No, sir; because it was very unbusinesslike in me; that is the only reason I know.

Q. Do you mean to say you went on doing business here for years, and that he made you no statement at all about money which he had expended?—A. Yes, sir.

Q. Have you ever made any statement to him?—A. I have never made any statement except by showing him the books which were kept in Montana.

Q. That was the money which you paid out there?—A. That is the money which I received and paid out.

Q. In making your settlements have you no money charged up at all on your books that he paid out anywhere?—A. No, sir; I have not.

Q. Then he has no account against the firm?—A. No, sir; not that I know of.

Q. The only account there is against the firm is your account?—A. Yes, sir.

Q. He does not owe the firm anything?—A. No, sir; the firm owes me.

Q. For money which you paid out in Montana?—A. Yes, sir.

Q. You said you heard a conversation between him and Barlow about their expenses here; did he ever say anything to you about his expenses at all?—A. Only in a general way.

Q. What did he say in a general way?—A. He said that there was a good deal of money expended to hangers on and all that sort of thing—nothing definite. I know that he spent a good deal of money.

Q. Did you hear him say that he paid anybody any money for the purpose of getting your business along?—A. I never heard him say who he paid any money to. I heard him say that he had paid money.

Q. For what purpose?—A. I do not know for what purpose; it could be only for his purposes here in Washington.

Q. What were they?—A. One purpose was a lawsuit; and a great many black-mailers on the Walla Walla and Missoula route, as I considered it.

Q. He must have told you something about it, so that you could consider it. I would like to know what he did tell you?—A. There was a lawsuit in the first place when he got that route, between him and John Allman, who claimed a partnership. I know that he paid John Allman a good deal of money, but how much I do not know.

Q. He lives in California, does he?—A. Yes, sir.

Q. What did he pay him that money for; was it in settlement of that lawsuit?—A. In settlement of the lawsuit, I suppose, and to let the route alone and quit.

Q. Did you never hear him talk about paying any other money?—A. To lawyers and so on, but I do not remember any other names, except Nathaniel Wilson.

Q. You have stated to the committee that you and your cousin were in business together and that you were intimate. Do you mean to say to the committee that you went on from 1870 down to this time, and that you have never had any sort of information from him about the amount of money that he expended for the firm, from 1870 down to this time?—A. Yes sir.

Q. That is what you mean to say?—A. That is what I mean to say.

Q. Have you ever asked him to make any account to you?—A. I have.

Q. What was his answer?—A. It was always next quarter, or next letting, or next something.

Q. Didn't you think it a little strange, his not making the statement?—A. I thought when we finished business it would be all satisfactory. One route ran into another and one contract ran into another, and stock was transferred and sold, and it was a sort of a general pool between he and I.

Q. You trusted him completely in any expense that he had here, and did not care anything about it?—A. Yes, sir; in every way.

Q. Did you avoid talking about it in order to keep from knowing it?—A. Not particularly.

Q. The reason I ask you the question is that it strikes me as exceedingly strange to see men doing business in that way, not knowing anything about one another.—A. It is to myself. No one regrets it more than I do now.

Q. Who was the man who kept your books up there?—A. I kept them myself.

Q. Did your cousin have any book-keeper to attend to his business here in Washington?—A. Not that I know of.

Q. Did you ever hear of his having any?—A. No, sir.

Q. Who attended to business for him here?—A. I did not know any one in particular, except Mr. Wilson. He had different lawyers and different employés, but I do not remember any except Mr. Wilson.

Q. Mr. Wilson is a lawyer, is he not?—A. Yes, sir.

Q. If I understand you, for the last two years your cousin has been sick?—A. Yes, sir.

Q. And has been in very bad condition for business?—A. Yes, sir.

Q. Has he been fit to attend to business at all?—A. I do not consider that he has.

Q. Has he had nobody to attend to his business in that time?—A. I have attended to it partly, Mr. Wilson partly, and his father partly; that is, in relation to some real estate; some of his own business that I do not know anything about. But our own business I have attended to, and Mr. Wilson.

Q. You have examined his books and papers frequently, have you not, in order to ascertain what the business was?—A. I have his statement and papers.

Q. Do you mean the statements of account?—A. Yes, sir; I have a statement of the Northwestern Stage Company and California and Oregon Stage Company.

Q. But you have no statement about your own business?—A. No, sir.

Q. This statement which you have of the Northwestern Stage Company, and of the Oregon and California Stage Company, is a statement from the firm to him?—A. It is a statement from the general superintendent at Boise City and the general superintendent at Yreka.

Q. It is a general rendering of accounts by the book-keeper to him?—A. Yes, sir.

By Mr. AINSWORTH:

Q. Do these statements from the general superintendents at Boise City and Yreka show the receipts from the Department?—A. I am not positive.

Q. Have you ever had any knowledge of the amounts received by your cousin from the Department?—A. I have not any statement that I know of. That is a matter of record.

Q. Have you ever made any examination to ascertain the amount?—A. I have not; I know what the contracts were, but I do not know whether they are in the report or not.

Q. You stated that he was in the habit of drawing money here?—A. I think Mr. Barlow generally drew the money.

Q. But I mean in your contracts?—A. In our own contracts he drew it himself.

Q. Did he never make any returns to you of the amounts of moneys drawn?—A. No, sir.

Q. Nor of the manner in which he appropriated it?—A. No, sir.

Q. How did you arrive at the fact that he owed you some \$36,000? Was not that the amount that you stated that he owed you at the time that he gave you this half interest?—A. No, sir.

Q. How much was it?—A. I said there was twenty or twenty-five thousand dollars difference, I believe.

Q. How did you arrive at the fact that there was twenty or twenty-five thousand dollars difference, if you knew nothing of the amount which your cousin had received, nor of what disposition he had made, or of the expenses he had been to?—A. I thought that there was a certain amount coming to me, and that I was to have a certain interest.

Q. But you stated that he owed you about twenty-five or twenty-six thousand dollars, did you not?—A. I stated that there was that difference of opinion between us.

Q. How did you arrive at that; upon what basis?—A. That was a settlement had just before he went away with Mr. Barlow.

Q. How much did you claim that he owed you?—A. I claimed only one-half of his contract in those two routes.

Q. Before you bought into the Barlow matters?—A. Yes, sir; I agreed to settle a certain amount of our business or wipe out that account if he would give me one-half of his interest in those two routes.

Q. How much did you consider that he owed you at that time?—A. Seventy-five or eighty thousand dollars.

Q. By what means did you reach that?—A. I figured up a general account of the business on some of the routes in Montana.

Q. You kept the account of that business in Montana?—A. I kept the receipts and expenditures in Montana.

Q. Did he receive the moneys here?—Yes, sir.

Q. And in no way accounted to you for a dollar of them?—A. No, sir; he never made a statement to me.

Q. Did he ever claim to you that he had expended money here?—A. He said that he had expended money here.

Q. Did you ask him how much?—A. I have.

Q. I am not speaking of this last attempt at settlement, but at the time you took the half of the California routes, or his interest in the half, did you ask him?—A. I did not ask him at that time.

Q. Did you not have any accounting whatever?—A. No, sir.

Q. And had no idea of what was between you and him?—A. No, sir; only as I had figured it—that there was seventy-five or eighty thousand dollars.

Q. How did you figure it?—A. I figured it on the receipts of our routes up there, and the receipts in the Post-Office Department, and profits we ought to make.

Q. You had a full account yourself of the receipts on the routes, did you not?—Yes,

Q. You had the full account of all the expenditures you had made or that had been made on the route?—A. Yes, sir.

Q. You had a full statement of receipts from the Post-Office Department, had you not?—A. I had; I do not know that I carried that on my books, but I knew it, of course.

Q. You struck the balance between them?—A. Yes, sir.

Q. And you found that he would owe you seventy-five or eighty thousand dollars?—A. I never struck the balance, but I estimated it. I could have struck the balance.

Q. What did he claim or estimate the difference to be?—A. There were some losses in the old books with Barlow, Huntley & Co.

Q. Were you interested in Barlow, Huntley & Co.?—A. Not before 1874.

Q. Then there could have been no loss in that, could there?—A. He claimed that I should lose it.

Q. Did he claim that you should lose anything before you took any interest?—A. No, sir.

Q. What did he estimate that he was in your debt previous to your taking an interest in the firm of Barlow, Huntley & Co.?—A. Mr. Barlow had a settlement with Huntley.

Q. Were you interested in that?—A. No, sir; I was not.

Q. What did he claim was the difference in your account with reference to the account of Huntley & Co.?—A. There was about \$20,000 difference.

Q. Did you claim that it was \$75,000?—A. No, sir; I did not.

Q. How much did you claim was due you?—A. I claimed that to settle a certain amount of business I would take one-half of his interest.

Q. But how much did you claim that he owed you at that time?—A. I did not claim anything.

Q. How much did you claim that you were paying for it?—A. About \$75,000 or \$80,000.

Q. Did he make any objection to its being that amount?—A. No, sir.

Q. Had you and he never made any computations or figuring to see how you did stand?—A. No, sir.

Q. Did you know at that time what the routes in California in which you took a half of his interest were worth?—A. I thought I did.

Q. What did you think they were worth?—A. I considered that the interest I was to take would be worth, according to the circumstances, from \$75,000 to \$100,000.

Q. What interest did C. C. Huntley have in these California routes in 1874 when you traded?—A. He had one-half interest in the California and Oregon route.

Q. And that was the property or interest for which you traded?—A. That was part of the property that I traded for, and he had two-sixths interest in northwestern stage-route.

Q. Then you considered the one-fourth of the California and Oregon route and the one-sixth of the northwestern stage-route as worth \$75,000 or \$80,000?—A. I was to take it at that. I was willing to take it at that.

Q. What did you estimate the value of the stock on those routes at?—A. I do not remember that I estimated at that time, but I know it has been inventoried a number of times, and I know all the different inventories.

Q. Did you have an inventory at the time of trading in 1874?—A. Yes, sir.

Q. What was it inventoried at at that time?—A. By different people it was inventoried at different prices.

Q. Say by your cousin, C. C. Huntley?—A. I do not know what he inventoried it at.

Q. Did you not examine the inventory of the stock at the time you traded for it?—A. I did.

Q. What did the inventory which you and your cousin examined at the time of the transaction show its value to be?—A. I cannot say.

Q. Where did you make the trade?—A. We made it in San Francisco.

Q. By whom was the inventory made?—A. It was made by the Northwestern Stage Company's superintendent on the one route, and I think by the superintendent of the California and Oregon route on the other.

Q. You had this inventory there at the time you made the transaction with him?—A. Yes, sir; and the amount of stock on both routes. I could always find the amount of stock on either route.

Q. But you had no interest with it then?—A. No, sir.

Q. You had never seen an inventory which was brought here for the purpose of making this settlement?—A. I had or I could.

Q. Had you?—A. I think I had. I had seen the papers; they were always there in our room. I knew about how much the stock was on each route.

Q. Were your headquarters in San Francisco at that time?—A. No, sir; they were never in San Francisco.

Q. When were they brought to your room in San Francisco?—A. They were never brought to my room at San Francisco.

Q. You have stated that you had them at your room in San Francisco?—A. They were always in our rooms at the Arlington Hotel here in Washington. The reports were always made here from our superintendent there and the rooms were generally together.

Q. Why were they taken to San Francisco for the purpose of making this settlement?—A. They were not taken there for that purpose.

Q. How came your cousin at that time to be at San Francisco?—A. He went out there to superintend the line.

Q. And took with him all the inventories which had been forwarded here?—A. No, sir; I do not know that he did. I do not think he did.

Q. Then they were not always there in your room?—A. Not at San Francisco. At our rooms in Washington.

Q. How long previous to the time you met him at San Francisco had you been here in Washington?—A. About thirty or forty days.

Q. Did you see the inventories of Barlow, Huntley & Co. in your rooms at the Arlington Hotel during the time that you were here?—A. I have always been able to see them.

Q. Did you see them and examine them during that thirty days?—A. I have seen them.

Q. Did you examine them?—A. Not particularly, but I have examined them enough to satisfy myself. I have examined the papers.

Q. What did they show the value of the stock of the Northwestern Stage Company's route to be?—A. The inventories were different at different times; from \$100,000 to \$150,000.

Q. What was the name of the agent who made that inventory upon which you traded with him?—A. I did not trade on the particular inventory of any one.

Q. I mean the inventory which you had at San Francisco?—A. I did not have any inventory at San Francisco. Mr. Morris made the inventory. He was the superintendent then of the Northwestern Stage Company in 1874.

Q. What time in 1874?—A. All the time.

Q. What did the inventory of the California and Oregon route show the value of the stock to be?—A. From \$60,000 to \$100,000 or from \$50,000 to \$100,000. It varied. I mean by that the variation of the supplies on the route; I did not mean the stock. In the spring, when the supplies are used up, of course the inventory is less than it is in the fall, when the supplies are laid in.

Q. Then the fourth of the stock and supplies on the one route and the sixth on the other would amount to about \$40,000, would it not?—A. Yes, sir.

Q. Was that about the amount at which you counted the stock in that settlement?—A. I counted that stock and the interest that I was to take; the interest that I considered that I was to take was Mr. Parker's interest. It was the stock and what was due him.

Q. Who was the superintendent of the California and Oregon route; who made these inventories?—A. I forget whether it was Mr. Peck or Mr. Burroughs.

Q. How long did your cousin remain at San Francisco after you made the arrangement to take an interest?—A. About two weeks, probably.

Q. Did he leave there on account of his health?—A. Yes, sir.

Q. Then you took charge of the matters from that time on?—A. Yes, sir.

Q. You took charge of the entire disbursements of the two routes?—A. I never had anything to disburse.

Q. It cost nothing to run them?—A. Yes, sir; I think it did.

Q. Who had the charge of them?—A. Mr. Morris, of one.

Q. Did he not account to you?—A. I have his statement.

Q. Did not he account to you?—A. He accounted to each one of the firm.

Q. He accounted to you as a member of the firm?—A. I do not think he accounted to me as a member of the firm. He accounted to C. C. Huntley.

Q. He accounted to you as the business manager of C. C. Huntley?—A. No, sir.

Q. In what capacity did he account to you?—A. He accounted as C. C. Huntley himself. He did not know of the sickness of C. C. Huntley at that time. Afterward he accounted to S. S. Huntley.

Q. You had charge of that business?—A. Yes, sir.

Q. Did not you have the examination of this account of that superintendent?—A. I have examined it, as a member of the firm. He sent to me as C. C. Huntley, and sometimes as S. S. Huntley; latterly S. S. Huntley.

Q. Did not you have supervision of this account?—A. Yes, sir.

Q. Then you had charge of the disbursements, did you not?—A. I never had any charge of the disbursements.

Q. You had nothing to say whether he should make this or that disbursement?—A. I had the general charge of the line. What I considered necessary I ordered, and what I considered necessary I recommended.

Q. But there were no disbursements in that?—A. Yes, sir.

Q. Which was the ranking man there, Mr. Morris or yourself; that is, who controlled it?—A. I have been there. Mr. Morris's orders are law out there.

Q. And you cannot reverse them?—A. Anything that I should say to Mr. Morris he would probably do.

Q. Then you were his superior, were you not, as the business man?—A. Yes, sir; I never gave any detail orders.

Q. What did his reports to you contain?—A. The general running expenses and receipts of every route of the Northwestern Stage Company.

Q. Who reported to you from Boise City?—A. Mr. Morris.

Q. From Yreka who reported to you?—A. Mr. Burroughs.

Q. What did his report contain?—A. All the receipts of the route, and the itemized account of every man who was paid, and what for. Sheets of paper and a whole itemized account of drivers, &c.

Q. They were sent there for your revision and approval, were they not?—A. Yes, sir.

Q. Did the reports of either of these men contain any account of the receipts of Mr. Barlow here at Washington from the Department?—A. No, sir.

Q. Did Mr. Barlow ever report to you as the business manager of C. C. Huntley, or in any other capacity, the receipts or amounts which he received here?—A. No, sir.

Q. Did he ever report to you any expenditures?—A. No, sir.

Q. How long have you been managing your cousin's business, or the business of the firm?—A. About a year and a half.

Q. C. C. Huntley was incapable of doing business?—A. Yes, sir.

Q. And, during that entire time, you have never had any report or known anything of the amount Mr. Barlow was receiving or paying out?—A. I have never had a settlement except—

Q. I did not ask you that. During that time have you ever had any reports of the amounts Barlow has received or paid out for Barlow, Huntley & Co.?—A. I have had his receipts and expenditures.

Q. Have you a statement of them now?—A. I have not.

Q. What have become of the statements which you received?—A. I do not know.

Q. When did you receive the last one?—A. I never received but one.

Q. When was that?—A. I should think about two weeks ago, or maybe two months.

Q. Did that contain the full statements of his receipts and expenditures for the company up to that date?—A. Yes, sir.

Q. What did you do with it?—A. I did not keep it at all. I did not take it.

Q. What did it show the receipts to have been?—A. I do not remember now.

Q. State as near as you can recollect; you have some idea?—A. No, sir; I have not. I do not remember.

Q. Can you tell within any number of thousands of dollars?—A. No, sir.

Q. What did you think it was?—A. I cannot tell.

Q. Have you any idea?—A. I know what our settlement was.

Q. I am not asking you about that. Do you think it showed receipts of how many thousands of dollars?—A. I could figure up here.

Q. Figure it up.—A. I could get it exactly in a very little while. I can find out from the post-office books.

By Mr. CANNON :

Q. Do you get that from a recollection of the account or from figuring the mail-pay?—A. I get it from figuring the mail-pay.

By Mr. AINSWORTH :

Q. Do you remember that these items were on the account?—A. They were footed up.

Q. And you remember that the items which were to come from the mail-contracts were figured up and accounted for by him?—A. The total receipts from the mail-contracts were footed up on that account.

By Mr. CANNON :

Q. Were they itemized, or was it in bulk?—A. It was sometimes in bulk—different quarters: there would be a quarter's mail, say on a route so much.

By Mr. AINSWORTH :

Q. Give us the amount which he charged himself with?—A. I may make quite a mistake in my figuring. Some pay was very low, and then specials, &c.

Q. Give me, then, the aggregate as near as you can.—A. I should think the account that he rendered was about \$425,000 receipts.

Q. What expenditures?—A. Some of his expenditures were put down by the quarter and some in bulk.

Q. What did they aggregate?—A. Fifty-seven thousand dollars.

Q. For how long a space of time?—A. For one year and nine months.

Q. What business had the firm of Barlow, Huntley & Co. been doing in Washington which required expenditures?—A. Here is where my difficulty occurred with C. C. Huntley. We had a difference of some \$20,000. He wished me to assume part of the indebtedness of the old firm, which was carried into this, and I objected. I wanted an explanation as to this \$57,000. He charged about \$500 a quarter for each route—his own affairs. That is, Mr. Barlow did. Then, for the general expenses, that I know nothing about, I think it was about \$40,000. I do not remember the figures, but I think it was about that. It connected the old with the new contract, and I wanted to separate it. Mine only commenced in 1874. C. C. Huntley said I should stand that. I wished to separate 1874 from the previous four years, with which I had nothing to do. I had no expenses to pay, and I did not want to estimate it. C. C. Huntley, as I say, said that I should, which made a discrepancy of ten, fifteen, or twenty thousand dollars, and we did not come to any understanding in regard to it when he went away. I said "You can either give me that route from 1874, or I will go through all the books and we will make a complete and square settlement, with interest and all added. You can take your choice."

Q. How much of these expenditures did Mr. Barlow claim occurred previous to the time that you became interested, in 1874?—A. He did not claim much.

Q. He claimed it was all expenditures within the last year or nine months?—A. He claimed it was all expenditures for the benefit of the company—not within the one year and nine months.

Q. It was for a longer time than that?—A. Yes, sir.

Q. You and C. C. Huntley and Barlow had conversations regarding the items of this account, did you not?—A. No, sir.

Q. Did you not just say that portions of them were for expenses which you did not think you ought to bear?—A. Yes, sir. They were not itemized.

Q. What were they stated to be for?—A. They were not stated. It was for the general benefit of the mail-service.

Q. If they were itemized, state what they were.—A. They were not itemized.

Q. Did you make any inquiry as to what they were for?—A. No, sir.

Q. Was that the time that your cousin and Mr. Barlow were whispering?—A. No, sir.

Q. Did they not talk about it in your presence?—A. Not about these expenditures, that I know of.

Q. You heard no intimation, either from your cousin or Mr. Barlow, as to what these expenditures were?—A. Mr. Barlow said that that was for the general good of the mail-service, for contractors, and that I ought to stand my proportion, and I said that I had no proportion to stand.

Q. And you have no idea for what purpose it was paid out?—A. No, sir.

Q. How much of those expenses did the items show to have accrued within the last year and nine months?—A. Between \$20,000 and \$30,000.

Q. Were the receipts of \$425,000 the receipts of that last year and nine months?—A. Yes, sir; it was about \$425,000.

Q. Have Barlow, Huntley & Co. an office here?—A. No, sir.

Q. Have you any place where your papers are kept here?—A. No, sir; I keep my own papers.

Q. And you do not know what became of statement of account which was used by you and Mr. Barlow?—A. No, sir.

Q. Where did the accounting take place?—A. In Mr. Wilson's office.

Q. Do not you know that the account was left there?—A. No, sir.

Q. Do you know whether it was or not?—A. I know all the account of it I took.

Q. Mr. Barlow presented an account there, did he not?—A. Yes, sir; and kept it.

Q. Did not Barlow, Huntley & Co. have their papers and memoranda at Mr. Wilson's office?—A. No, sir.

Q. Are there any account-books kept by your firm with Mr. Barlow?—A. I do not keep any but what I want for my own protection.

Q. Can you keep the account of Mr. Barlow?—A. I do not keep Mr. Barlow's account.

Q. Does Mr. Barlow keep any accounts with your company?—A. Yes; he does. He keeps them all.

Q. Where does he keep them?—A. I do not know.

Q. Have you ever seen them?—A. I have.

Q. Were they kept in books?—A. They are generally kept on a sheet of paper.

Q. A loose sheet of paper?—A. Yes, sir.

Q. And the account of some \$425,000 within a year and nine months is kept as between your company and Mr. Barlow, upon loose sheets of paper?—A. They are.

Q. How many were there of these sheets of paper? You examined them about six weeks ago?—A. Two or three or four sheets. Two sheets, maybe.

Q. Do you know what became of these two or three or four sheets?—A. I do not.

Q. Where were they when you last saw them?—A. They were in Mr. Wilson's office.

Q. Who produced them there at Mr. Wilson's office?—A. Mr. Barlow did.

Q. Were they folded?—A. He carried them in his pocket.

Q. And that is all the account, you say, that has ever been kept between your company and Mr. Barlow?—A. That is the only settlement we have ever had for a year and nine months.

Q. That is the only account to your knowledge that has been kept between your company and Mr. Barlow?—A. That is the only account that has been kept by Mr. Barlow.

Mr. CANNON. The general accounts, if I understand the witness, of the passenger and freight and of all kinds, are kept at the other end of the route.

Mr. AINSWORTH. Yes, all that Barlow keeps here are the receipts of mail-pay, &c., and expenses, is not that it?

The WITNESS. Yes, sir.

The CHAIRMAN. What number of these accounts were itemized?

Mr. AINSWORTH. He said they were all itemized.

The WITNESS. No, sir.

Mr. AINSWORTH. I understood him to say that the expenditures were itemized, but that they did not show the purposes for which they were paid out.

The WITNESS. No, sir; I did not say that. I stated that he claimed about \$500 a quar-

ter for his services on each quarter on each route. There are fourteen quarters, and it would come to about \$7,000. There were some \$35,000 or \$40,000 additional which was in one charge.

By Mr. MILLER:

Q. For the good of the company?—A. For the good of the mail-service; for the good of our company. I know what some of it was for and some I do not. That is, I suppose I do.

By Mr. AINSWORTH:

Q. Go on and tell all you know about it.—A. Some were for bids, and what the balance was for I do not know.

Q. How much was for bids?—A. I should think about \$25,000.

Q. State what you mean by being for bids?—A. I do not remember the bids nor the amount paid, but I think there was over \$20,000 paid for bids on the Northwestern and over \$10,000 on the California and Oregon.

Q. Paid to whom?—A. Mr. Thompson was paid. I do not know except by hearsay what amount was paid him.

By the CHAIRMAN:

Q. Did you hear that from Barlow?—A. Yes, sir; and I think from Mr. Thompson. It was \$15,000 as I heard it. Mr. Corbett was paid \$5,000.

Q. Where did he live?—A. He lived in Portland, Oreg. \$2,500 down and \$2,500 additional I paid afterward, or rather Mr. Barlow did. I drew on him for it. I paid Beekman \$2,500, and drew on Mr. Barlow for it. Mr. Taggart, I think, was paid \$3,700, and the stage and six head of horses and traps. I do not remember the amount of the draft exactly, but I think it was \$3,700.

By Mr. LUTTRELL:

Q. I understood you paid Taggart \$3,700 in cash, a stage, six horses, and harness?—A. Yes, sir.

By Mr. MILLER:

Q. Did you give him the stage and horses and harness, or did he take it?—A. He took it.

By Mr. LUTTRELL:

Q. Did you not also give him the route from Shasta to Reading?—A. Yes, sir.

Q. The stage, six head of horses, &c.?—A. Yes, sir; that is, he drew off the route, but we have the mail-pay, I believe.

Q. How much were the stage horses and harness and other traps valued at? It was a Concord stage, was it not?—A. An eleven-passenger wagon.

Q. What was it valued at, stage, horses, and harness and all the traps?—A. \$1,200 or \$1,300. The business on the route was worth something to us. Then he carries the mail for us for nothing.

Q. The mail-pay, I believe, is about \$400 on that route?—A. Yes; I think it is about that. A small matter.

Q. What did you consider the horses, stage, harness, and other traps on the route, worth in round numbers? What did you consider that you gave him for his bid there—five, six, seven, eight, or ten thousand dollars?—A. We wanted to give him about \$5,000, and I think it was probably worth about six thousand dollars.

By Mr. AINSWORTH:

Q. Have you all of the items of expenses?—A. John Allman I think was paid \$5,000.

Q. That makes the total of which you know the purpose for which the expenditure was made?—A. I think there were one or two others, of small amounts; I forget the names. It was up in Oregon somewhere.

Q. What would all the balances amount to, so far as you know?—A. Somebody upon the Reading and Lake City route, in Oregon, got \$500. I do not know his name.

By Mr. LUTTRELL:

Q. Was it Goddard?—A. No, sir.

Q. Was it Hines?—A. No, sir.

Q. Taggart had a bid on that Lake City route, had he not?—A. I do not know who it was. I forget that name. On the other route there was something paid, but I forget what it was. It was a small amount—probably two or three thousand dollars or a couple of thousand dollars altogether.

By Mr. AINSWORTH:

Q. What was the total of the receipts and returns to you from Boise City and Yreka for the year and nine months?—A. I do not remember.

Q. You had that total when you looked over it with Mr. Barlow, had you not?—A. Yes, sir; not then I did not. I had had the total.

Q. What was it, as near as you can remember?—A. I do not remember.

Q. Have you any idea?—A. I should be probably a good way out of the way.

Q. Can you form any idea?—A. I could give you the exact figure if I had the reports. I could not state from memory.

Q. You had that report here at the time, had you not?—A. I have it here now.

Q. The reports of the receipts and expenditures?—A. Yes, sir; it is here in the city.

[The witness ordered to produce, in the morning, the report of the total amount of receipts and expenditures returned to him by those agents.]

By Mr. AINSWORTH:

Q. What was the balance between the receipts and the expenditures upon these two routes?—A. I do not remember.

Q. Which were in excess? You can remember that, certainly?—A. Yes; I do. I drew on Mr. Barlow for the deficiency.

Q. How much did you draw on him for?—A. Each quarter was settled, and they paid out all the money they received, and drew on Mr. Barlow for the difference; enough to pay the bills.

Q. What was the difference?—A. I do not remember; I know the footing-up. That was on the Northwestern and on the California and Oregon routes.

Q. Do you know J. P. Goddard, who bid and received the contract for carrying the mail from Reading to Roseburgh?—A. No; I do not know him.

Q. Do you know how much was paid to Goddard to give up his contract there?—A. I do not.

Q. Have you heard that there was a sum paid him?—A. I never heard that there was.

Q. Was there ever any settlement or account rendered to you of any sum paid to him or any one for him to withdraw his bid?—A. No, sir.

Q. Do you know Lewis Tucker, who was a bidder on that route?—A. Yes, sir.

Q. He put in a bid to carry the mail for some thirty-odd thousand dollars?—A. He put in a bid.

Q. Do you know what sum was paid to Louis Tucker, or was he authorized to put in a bid by your company?—A. I do not know.

Q. Do you know what sum was paid to Mr. Stone, who also put in a bid there?—A. Mr. Stone is our superintendent.

Q. He put in a bid for less than \$40,000, did he not?—A. I do not remember what amount.

Q. Do you know whether there was any understanding between him and any members of the company that he was to put in his bid at that figure?—A. I do not know.

WASHINGTON, March 24, 1876.

Continuation of the examination of S. S. HUNTLEY.

By the CHAIRMAN:

Question. Have you given the names of all the parties who are interested in your contracts since having thought over the matter?—Answer. Yes, sir.

Q. Directly and indirectly both?—A. Yes, sir.

Q. Is there no one else who gets a percentage of your contracts?—A. No, sir.

Q. Have you the statement with you this morning, which you spoke of being able to furnish yesterday?—A. I have the statements of the two routes—from the California and Oregon route, and also from the Northwestern, and also the one I kept from Mr. Barlow. That is our settlement. We settled our affairs up from July 1, 1874, to the end of September, 1875.

Q. What was that statement? Refer to it and state what it was.—A. It was a settlement of the whole route, and the balance that was due Mr. Barlow.

Q. That was furnished you by Mr. Barlow, was it?—A. Yes, sir. There was nothing to it, only I gave him three notes; I took his receipt for the three notes; that is, C. C. Huntley and myself gave them:

“Received, Washington, D. C., February 1, 1876, of C. C. Huntley and S. S. Huntley, their joint notes, amounting to \$27,758.05, viz, one \$10,000, one \$10,000, and one of \$7,758.05, the same being settlement for dividends and deficiencies, and their share of loss incurred in operating the Northwestern Stage Company and California and Oregon Stage Company from July 1, 1874, to September 30, 1875.

“BARLOW.”

Q. What does that include?—A. That includes all of our business on the California and Oregon route, and on the Northwestern stage routes for that length of time.

Q. What part of that amount was legitimate expenses, and what were expenses that were

not named?—A. I could not tell which were the legitimate and which were not, if there were any not legitimate.

Q. Can you tell what they were for at all?—A. I kept no memorandum.

Q. Can you tell from memory? You ought to remember that.—A. No, sir.

Q. You ought not to remember it, you think?—A. Yes, sir; I ought to remember it.

Q. How did you come to be indebted to Barlow? I mean in relation to these notes which you gave. Please explain that to the committee.—A. These accounts out West were settled there by the different agents, and they drew on Mr. Barlow for the deficiency. Mr. Barlow paid their drafts and he paid bills, and of course if there was anything left it would be coming to the business, and if there were not, Mr. Barlow was our what you might call banker, or cashier.

Q. What amount of money was drawn by your agents when these settlements were made out in the country where the mail-contracts were?—A. I did not keep it; Mr. Barlow kept it. I have got other statements, but not all of them, I do not think.

Q. You have figured on this matter, and know about what the amounts are?—A. There is one which I did settle, and I have never opened it. [Exhibiting sealed package.] There is a statement in there probably of \$75,000 worth of business, and I think that is for the third quarter of 1875. It is all settled. I have never read it.

Q. But you had a settlement with Mr. Barlow, and as a matter of course there must have been some basis for that settlement?—A. Yes, sir; here are all the reports, or quite a number, from these routes out there, showing the business, and so on.

Q. What was the aggregate amount, if you have figured on it?—A. I have not figured on it.

Q. How did you come to a settlement with Mr. Barlow?—A. Mr. Barlow figured it up himself. These accounts I considered as entirely separate from Mr. Barlow's account, and all the account Mr. Barlow keeps is this: he draws from the Department all the mail-pay.

Q. And your agents draw on him?—A. He pays all of their drafts.

Q. And in the settlement that he made with you he presented all those drafts that he had paid?—A. He had it down on a piece of paper.

Q. You were satisfied that the drafts were all correct?—A. I was satisfied. I never looked whether they were or not. I took his word for it.

Q. Did not you examine critically that account when he rendered it to you?—A. I did not compare his statement with the statement there at all.

Q. Did you not overlook it?—A. I looked over it at the time.

Q. And carefully considered it, did you not, before you gave those notes?—A. Not more than carefully looking over. I took his word for it as being correct.

Q. I asked you whether you looked over it carefully.—A. I could not tell whether it was correct or not. I took his word for it that he paid that amount of drafts.

Q. Can't you separate, in your own mind, what was the amount of drafts and what was the amount of other expenses that you did not know anything about, and could not find out anything about?—A. I do not know that I could do it.

Q. Now, explain to the committee why you did not do that. It is an unusual way of doing business.—A. I know it is. Why I did not do it is because I have confidence in the superintendents out there that draw and expend the money.

Q. I do not mean the money that the superintendents drew on him for.—A. I have confidence in Mr. Barlow, that the statement that he rendered and that the amount of money that he had paid out was correct.

Q. Have you not any curiosity about it, or did not you want to know it; was not that the truth?—A. I did not care to know it.

Q. Why didn't you care to know it?—A. Not because there was any money in that that was paid out that ought not to have been.

Q. Well, what was the reason?—A. Because I could not very well figure it out without going over all of those accounts which lasted for that whole period of time.

Q. Was there any reason in your mind that you had better not know it?—A. No, sir.

Q. That it was a thing which you ought not to know?—A. No, sir.

Q. Then you had no curiosity to look into it at all?—A. No, sir; I had not.

Q. What do you mean, that you do not think you ought to know?—A. I do not know why. I was disgusted with the whole arrangement myself.

Q. I can imagine that very well, but being disgusted, you still had no curiosity to find out about it?—A. I could figure up those accounts, and I could probably arrive at very nearly the amount.

Q. Did Mr. Barlow ever tell you that he had paid out any of the money to any particular person?—A. He did not.

Q. Did you ever ask him?—A. He mentioned buying some bids; he said the bids were included.

Q. Those bids you have already told of, have you?—A. Yes, sir; of all of them, I believe.

Q. Did he mention any other money that he had paid out to anybody?—A. No, sir; he mentioned paying out money for the benefit of the firm.

Q. Did he only tell you the money he had paid out for the bids?—A. He said that was included in an item which was about \$40,000 or \$50,000, that I remember.

Q. Did he say all that \$40,000 or \$50,000 was for bids?—A. He did not say it was all for bids, nor how much of it.

Q. Did not he say that it was not for bids?—A. He did not say whether it was all for bids or all not. I only figured up my own account about how much was for bids.

Q. And you thought the bids amounted to \$25,000, I think you have said?—A. Some \$25,000 or \$30,000. I do not remember how I did figure it.

Q. And the amount charged up was \$40,000 or \$50,000, you say?—A. I believe it was.

Q. Then there was a balance undefined of \$10,000 or \$20,000 that he gave no account of at all?—A. Yes, sir.

Q. And you took no account of it?—A. No, sir.

Q. He did not tell you at that settlement, in the presence of Mr. Wilson, that he had paid that money but to any particular person?—A. No, sir.

Q. Did he tell you anywhere else that he ever did?—A. No, sir; he did not.

Q. He never told you at any time?—A. No, sir.

Q. Neither before nor since?—A. No, sir.

Q. Did C. C. Huntley tell you?—A. He did not.

Q. Did you ever have any talk with C. C. Huntley about that undefined expenditure?—A. No, sir; I had not.

Q. Was it the understanding with your firm that you would not talk with one another about it?—A. We never had any such understanding.

Q. Still you thought it was better for you not to know it?—A. I was willing to take his word for it, whatever he had expended, and I took his word for what post-office money he collected. I do not know whether the account was rendered right or not. He collected two or three hundred thousand dollars in mail-money, and I took his word for it being correct. Whether it was or not I do not know. I did not calculate it out, and I did not figure it.

Q. Two or three hundred thousand dollars of your money?—A. Money belonging to the company.

Q. I understood you to say that when you and your cousin began together in the stage business you were both very poor?—A. We had not very much.

Q. Have you made your money in the stage business?—A. Some in the stage business, and some in other speculations.

Q. You have made the most of it then, in that business?—A. Yes, sir; we have.

Q. Notwithstanding these enormous expenditures for bids and for other expenditures, and you do not know what they were for, of \$40,000 or \$50,000 from 1874 until September, 1875, your contracts pay largely, do they?—A. No, sir; they have never paid a cent.

Q. They have not paid a cent since that time?—A. Not a cent.

Q. Then you have not made any money since 1874?—A. I have not taken in a dividend, and I gave my note for the deficiency.

Q. Then the money which you made was previous to 1874?

By Mr. CANNON:

Q. Do you mean the \$27,000 note?—A. That deficiency. Two notes, C. C. Huntley's and my own deficiency. The interest we had in these two routes for that length of time.

By the CHAIRMAN:

Q. You made your money, then, before that?—A. I have made some money before, and I have made some money since.

Q. You stated you made most of the money in the mail-contract business, and you have made none in these two routes since that time?—A. No, sir; I have not.

Q. What route have you made money on since then?—A. I have a great many routes. I have made money on some of them, and on some of them we have lost money.

Q. You have made money in the general summing up, have you?—A. Yes, sir.

Q. Those were routes that Barlow was not interested in?—A. Yes, sir.

Q. Who attended to your business here in Washington on the routes Barlow was not interested in? I mean since 1874.—A. I have attended to it all myself.

Q. Have you expended any money here for the purpose of purchasing bids for you and your cousin, C. C. Huntley?—A. I have never spent any money here.

Q. Well, anywhere?—A. I spent some in the West.

Q. What bids did you buy out up there, and from whom?—A. There was never any great amount; all small ones; I do not remember. There were quite a number of different people.

Q. How did you buy those bids; what was the arrangement between you and the men of whom you bought?—A. There was no arrangement at all, only he gave me his bid.

Q. How did he give it to you?—A. By a power of attorney or something of that kind.

Q. He gave you the power of attorney to withdraw his bid, do you mean?—A. To use his name in any way I wanted it. To withdraw or to accept. To collect his mail-money, or to own it.

Q. Please state to the committee, whether on those bids that you bought and had the power of attorney to use as you pleased to withdraw, or take as you might see fit, what one of them that you withdrew?—A. I do not know that I can remember one. There was quite a number. They were all men in the country up there who lived in the different Territories.

Q. Can't you remember them?—A. I remember names of men there who sold their bids.

Q. Give us the names of those men.—A. I remember a man named George Coggin.

Q. Who else?—A. If I had a list of the bids I could remember them, I think.

Q. You know whose bids you are carrying on those routes now, do not you?—A. Yes, sir.

Q. Are you carrying on one of the bids that you purchased?—A. We are carrying routes on a great many different names, some got by trading and some by buying.

Q. On any routes that you are now carrying it, did you purchase any bid that is under the price that you are carrying the mail for on those routes? Did you get a power of attorney from anybody who had bid on any of those routes on which you are now carrying the mail by contract? I mean, under the bid you are carrying it now. For instance, A, B, C, and D bid; A is the highest bidder and D is the lowest bidder; suppose you are carrying it at A's bid, did you purchase B, C, and D?—A. Yes, sir.

Q. I understand, then, that you have purchased bids under the price that you are carrying the mail for. Then you withdrew that bid, did you not?—A. Yes.

Q. By power of attorney?—A. I do not remember whether it was power of attorney or otherwise. It was withdrawn.

Q. How else can you withdraw?—A. A notice is sent to the men offering them the route.

Q. And they withdrew themselves?—A. Yes, sir.

Q. Then it was either withdrawn for the reason that you had paid for it by the power of attorney to you, or by themselves by letter to the Department?—A. Yes, sir.

Q. How often did that occur?—A. It occurred on a number of routes.

Q. Do you know whether that is the habit in the usual contracting?—A. I have bought bids on routes that never were used at all. Some bids were below what they are now being carried for, and some were on routes where there was no change at all from the original prices; that is, there was no failure.

Q. Under the last law since 1874 the bidder had to deposit a certified check with his bid?—A. Yes, sir.

Q. If he does not begin to carry the mail he forfeits the check?—A. Yes, sir.

Q. Did you make a contract with any party who was carrying the mail as the lowest bidder that he would throw up the service as soon as he could get his certified check back, so that it would have to be let out for temporary service?—A. No, sir; I never did.

Q. Did any man who was the lowest bidder carry the contract with your stock and throw it up after the end of a few months, and then did the contract come to you for temporary service?—A. I do not understand you exactly.

Q. The lowest bidder gets the contract?—A. Yes, sir; always.

Q. His certified check is here?—A. Yes, sir.

Q. In order to get that certified check back, under the law, he has to execute his contract or begin to carry the mail?—A. Always, sir.

Q. Are there any cases on your routes where the lowest contractor commenced carrying the mail and carried it with your stock, threw it up, and you have the temporary service, or had the temporary service?—A. There are routes where they have bought up stock and then failed and we have recovered the stock.

Q. Was there any arrangement at the beginning between you and those men that that purchase of stock was a sham, and that it was just simply done in order that the contract should revert to you?—A. No, sir; it was not.

Q. It was, then, a legitimate trade between you and that party in selling the stock?—A. Yes, sir.

Q. Were those parties responsible?—A. They were not men of wealth.

Q. How did you expect to get your pay, or did you expect to get it?—A. I do not know whether we expected to get it or not; we had the stock for security and the mail-contract for our security.

Q. Did you not sell that stock believing all the time that they would not carry the mail; that the contract would come back to you?—A. No, sir.

Q. You say, then, that in the last two years, since 1874, you have been doing the business of C. C. Huntley & Co., and that the only money which you have expended was for buying up bids up in the Territories?—A. Yes, sir.

Q. You have expended no money otherwise here?—A. I have not; no, sir.

Q. For any purpose?—A. No, sir; I have not.

Q. Has C. C. Huntley expended any money?—A. He has spent a great deal of money.

Q. What did he spend it for?—A. I never knew.

Q. Have you any idea about the amount that he has expended for the last two years?—A. I have.

Q. How much is it?—A. He went to Europe, and while there he spent about \$1,500 a month for seven or eight months.

Q. How long did he stay in Europe?—A. Some seven or eight months.

Q. Then he spent \$10,000 or \$12,000 there?—A. Probably \$9,000 or \$10,000. He came back here. I met him on his arrival, but only saw very little of him, and went west. He had no money in the bank and drew on me for money, and he drew on Mr. Barlow, and I do not know but what he drew on Mr. Wilson. He drew on his father. I made a rough

estimate of what he had spent for several months after that, and it was from \$1,500 to \$2,000 a month.

Q. You say that he drew on Mr. Wilson?—A. I am not sure of that. He got some money from Mr. Wilson, though.

Q. Was it the habit for you and him both to draw on Mr. Wilson?—A. I never drew on Mr. Wilson.

Q. Why did he draw on Mr. Wilson?—A. I do not know that he did. I think Mr. Wilson had a little money of his. I know that he drew on his father, and that his father told me that he paid him money, and Mr. Barlow told me that he paid him money. He got a little money here, at Lewis Johnson's bank.

Q. You say that he spent a great deal of money; how much more?—A. He spent it for his own personal pleasure, so far as I know. I do not know what any of it went for.

Q. There was no one interested except him and you in this contract business?—A. No, sir.

Q. Have you had any agents who have paid out any money?—A. No, sir.

Q. Or attorneys?—A. No, sir.

Q. Has Mr. Wilson paid any money out for you?—A. Not that I know of; I do not think he has.

Q. He has never accounted to you for money that he has paid out?—A. No, sir.

Q. Has he made a statement of any that he has paid out?—A. No, sir.

Q. Has any one else?—A. No, sir.

Q. Is he the only agent you have had here?—A. I did not consider him an agent here exactly. He is our lawyer. We have no agent here.

Q. Is he the only man whom you have had here doing business for you?—A. Yes, sir.

Q. You have had no other agent or attorney?—A. No, sir.

Q. Has any other man in your interest from the Territories visited Washington on your business, as an agent or otherwise?—A. No, sir.

By Mr. LUTTRELL:

Q. I understood you to say that no bidders or contractors carried the mails with your lines or with your teams.—A. No, sir; not that I know of.

Q. That you sold out your lines to those lower bidders. Did I understand you to say, in reply to General Clark, that you had sold out your lines to these lower bidders who had received the contract?—A. The California and Oregon route, I do not know anything about whether that was sold or not sold.

Q. Do you know whether the California and Oregon line was sold to J. P. Goddard or not?—A. I do not.

Q. Did not Mr. Goddard carry that mail for a time?—A. The contract was in Mr. Goddard's name. He carried it awhile I believe.

Q. With your stock?—A. I do not know whether it was with our stock or whether he bought it. I think it was with our stock, but I am not sure.

Q. Did you ever hear of that stock being sold to Mr. Goddard?—A. Mr. Stone made the arrangements there, and I think with Mr. Goddard. But what it was I do not know.

Q. Did Mr. Goddard ever visit California?—A. I do not know.

Q. Do not you know that Mr. Goddard never was in California?—A. I do not.

Q. Were you here at the time that Mr. Goddard received the contract?—A. I was here at the time the contracts were let.

Q. Do you not know that Mr. Goddard testified that he had never been in California and was not a resident of California?—A. I believe he did; I had forgotten it.

Q. Do not you know that he also testified that he was a resident of California when he put in his bid?—A. I remember that there was trouble at that time, and he testified, and some one else there—Mr. Taggart or some one else—about a route, as to whether it should belong to a man who lived in California or belong to an interloper, or something of that sort.

Q. Do not you know that Goddard put in a bid and alleged in his affidavit that he was a resident of Yreka, Cal.?—A. I do not know it.

Q. And that I came in with the poll-list and certificates of officers of that city and county that no such man as Goddard ever resided there or was then a resident in that place?—A. I had nothing to do with that route at the time.

Q. Do not you know that that did take place, and that he then came in when we caught him, and swore that he was not a resident?—A. I do not remember the controversy in regard to the route at that time. I was not a member of the firm.

Q. Do you know what Goddard's bid on that route was at that time?—A. I think it was \$25,000.

Q. Do not you know now that that is less than one-third of what you are now receiving for carrying that mail? You are getting about \$75,000 a year now?—A. Yes, sir.

Q. And your stock then carried his mail during that time that he was carrying it?—A. Yes, sir.

Q. Did you see Mr. Goddard here at that time?—A. I did not.

Q. Did you have any conversation with Mr. Goddard during the time you were carrying the mail for him?—A. I did not.

Q. Did you ever see him?—A. I never did, that I know of.

Q. You never sold the stock, then, to Mr. Goddard?—A. I never had a word of conversation with Mr. Goddard.

Q. Did you not draw the entire pay for carrying the mail under Goddard's bid?—A. I believe I did.

Q. You carried the mail, then, until Goddard failed?—A. I believe I did.

Q. Have not you carried it ever since?—A. I believe we have carried it ever since July 1, 1874.

Q. Did you ever pay Goddard any portion of that?—A. Never anything that I know of.

Q. Did not Mr. Goddard put in that bid for the benefit of Barlow, Huntley & Co.?—A. Not that I know of.

Q. He never went there to look after it?—A. I do not know whether he was ever there to look after it or not.

Q. You carried the mail with your teams and drew pay until the deposits had been withdrawn, and then Goddard failed, did he not?—A. He failed.

Q. Was not it the case? Did you not carry the mail under Goddard's bid?—A. Yes, sir.

Q. Until all the deposits of money in the Department by bidders had been withdrawn; and did not Mr. Goddard fail about that time or soon after?—A. I do not know what time they were drawn or what time he failed. He carried it about five months, I believe.

Q. And you have carried it ever since?—A. Yes, sir.

Q. You carried it how long on special contract with the Government?—A. I do not remember what time.

Q. You carried it for a number of months, did you not, under special contract?—A. We carried it for some time on special contract.

Q. And then you made a contract with the Government, at \$70,000 and more, for carrying it?—A. Yes, sir.

By the CHAIRMAN:

Q. Did you ever pay any one of the officials in the Territories to represent facts, either in competition or otherwise?—A. I never did.

Q. Did you ever make them any presents?—A. I have made an official a present.

Q. Did you make them for the purpose of representing any statements of facts in regard to mail-matters in your country and your routes?—A. I did not.

Q. Did you ever make any to the governor of the Territory?—A. To the governor of Montana Territory I have.

Q. What is his name?—A. B. F. Potts.

Q. How much of a present did you make to him?—A. I was out there in the Territory for a number of years without coming east, and I ordered C. C. Huntley to send me out a nice set of furniture, and he bought me a set of furniture that cost \$1,000 or so—marble-top furniture—beautiful bed, wardrobe, and so on. C. C. Huntley bought that and sent it to me. Among them was an arm-chair—a revolving chair, costing twenty or thirty dollars, and I gave it to the governor for an office-chair.

Q. You did not make any presents at any time to any officers, then, for the purpose of having any influence in regard to your mail-contracts from Helena or otherwise?—A. I never did, and never made any valuable presents. That furniture was afterward moved to Boise City, Idaho.

By Mr. CANNON:

Q. When did you make the present of this arm-chair to Potts—how many years ago?—A. It was a number of years ago.

Q. It was worth \$20 or \$30?—A. Yes, sir.

Q. You have been living in Montana a long time?—A. Yes, sir.

Q. Were you well acquainted with Potts?—A. Yes, sir.

Q. Was it made out of friendship and as a compliment to him, or for something that he had done for you?—A. It was as a compliment.

Q. Did Governor Potts ever sign any paper, petition, or otherwise for you?—A. He signed a petition.

Q. What for?—A. Recommending mail-service in the Territory.

Q. When was it—several years ago?—A. Yes, sir; several years ago.

Q. It was numerously signed by other officials?—A. Every official in the Territory, I think.

Q. Citizens and business men?—A. Every one who was of any importance in that section of the country.

Q. Was it before or after you made him this present that he signed this petition?—A. It was before that.

Q. Was it agreed that you should give him a \$20 arm-chair for it?—A. I never mentioned anything about any chair or present.

Q. Then there was no corruption in his signing the petition; it was not done for a consideration?—A. I did not consider it so.

Q. You have spoken of the Oroville and Portland route, and of Goddard's bid upon it. You were not manager of the business of that company or superintendent at that time, were

you?—A. No, sir; I was not. I have said that I consider myself a partner in it, but I never took charge of it.

Q. Who was the man who had charge of it?—A. W. S. Stone.

Q. Do you know the terms, and whether there was a conditional sale, an absolute sale and mortgage, or whether the stock was leased to him, or what the terms were?—A. I do not; I do not know whether it was a lease or sale.

Q. But you do know the fact that Goddard failed in his contract after carrying it four or five months?—A. Yes, sir.

Q. And that then they run up the scale of bids and struck your company, \$70,000, or a bid that you owned, if not your company—the Northwestern Stage Company?—A. Yes, sir.

Q. That is the contract on which you have lost money since 1874?—A. We lose a good deal of money on it.

Q. You spoke of two contracts in which the loss on your and C. C. Huntley's share had been \$27,000?—A. Yes, sir.

Q. You own about half of it?—A. We own half of that and one-third of the Northwestern

Q. Then your half-interest in that route and one-third in the Northwestern lost you since July, 1874, \$27,000?—A. Yes; to the 30th of last September.

Q. That would make the whole interest between \$60,000 and \$70,000 loss. Your mail-pay on that route is \$70,000?—A. Yes, sir.

Q. Now, as to the post-route from Helena to Missoula, and then from Missoula to Walla-Walla. About what is the daily average weight of mail from Helena to Missoula, as near as you can get at it, from the time of its establishment up to the present time?—A. That is a very difficult question to answer.

Q. You have, of course, some idea of the bulk of mails?—A. Yes, sir. It is a very good-sized mail. We ran a six-horse coach from Helena to Deer Lodge, with several sacks of mail in it. I don't know how much it would weigh. Sometimes there would be five or six or seven hundred pounds of mail; sometimes two or three or four hundred.

Q. Would it average four hundred pounds?—A. Three or four hundred. I don't know that.

Q. What would you say to a statement that the letters on that route during this time would not exceed more than two every trip?—A. I would not think such a statement was very near correct.

Q. From your knowledge of it, is it correct or incorrect?—A. I know it is very false.

Q. What would you say of the same kind of a statement on the route from Missoula to Walla-Walla?—A. The mail from Missoula to Walla-Walla is not so heavy.

Q. I believe you mentioned yesterday that a part of the way it was from three to four hundred pounds?—A. I don't know that I mentioned it that high.

Q. Well, two or three hundred. What do you say now?—A. We used to run a buck-board from this end of the road to carry the mail, because we could not carry it horseback.

Q. That is, it was too heavy to carry horseback?—A. Yes; that is from Missoula. From Walla-Walla coming this way we carried it on a buck-board, because it was too heavy to carry horseback. When we came up a hundred or two miles each way toward the center, the settlements dwindled down, and the mail was very light, except the through mail, which connected Washington and Oregon with Montana. That was just the through-mail business. That was carried on horseback part of the way, and carried over Pend d'Oreille Lake in a boat managed by three men. It was about thirty miles across the lake.

Q. I believe you said that C. C. Huntley had been sick for a year or two?—A. Yes, sir.

Q. And during that time he had been traveling in Europe?—A. Part of the time.

Q. And has not been looking after his business?—A. He was not competent. He has not done one solitary thing on the new contract, and knows nothing about it except what I have told him, and that he will probably forget. That is since 1874.

Q. Then this amount of money, \$1,500 or \$2,000 a month, that he spent in Europe had no connection with mail-contracts?—A. He is hardly known in the Department. I don't think he knows any of the officials there, and I don't think he knows any of the clerks. There have been a good many changes there. I don't think he knows any of the new clerks.

Q. This money was for his personal expenses, and not about business at all?—A. Not at all, that I know of.

By Mr. LUTTRELL:

Q. Are you acquainted with the clerks in the Department?—A. I am.

Q. Intimately acquainted with them?—A. Some of them.

Q. Do you know Mr. A. H. Brown, formerly a clerk in the contract-office?—A. Yes, sir.

Q. Do you know where he is now?—A. I do not.

Q. When did you last see him?—A. I think it was in January.

Q. Did you have any dealings with him?—A. I did not in January.

Q. Have you ever had any dealings with him?—A. I have troubled him a good deal in the Post-Office Department for two or three years.

Q. Which one of the firm was it who presented Mr. Brown with a carriage and horses and harness?—A. I could not say.

Q. You know or have heard that there was such a present made, have you?—A. I never heard any one say so who would be liable to know anything about it.

Q. You have heard that the company had given him a carriage?—A. I have heard a rumor on the street that our company gave Mr. Brown a carriage, and I read some testimony here, I believe, or else I saw it in the Sun or some paper, that some one of the contractors had given Mr. Brown a team, and that is the first I had ever heard of it.

Q. Did you ever give him anything?—A. I never gave him anything.

Q. You say that you troubled him a great deal; did he work for you just for accommodation, or did he ever receive anything of any value from you or your company, or from any other person?—A. He got pay from the Government for all he ever did for me, that I know of.

Q. Did he ever receive anything else from your company or from yourself?—A. Never, that I know of.

Q. Any presents, loans, or money?—A. Not that I know of.

Q. What did he do for you?—A. He used to be in there and make up cases on routes, and I would often go in there for memoranda as to who had certain routes and what routes we had, and to see in regard to the extent of side supplies or getting post-offices established or discontinued, or something of that sort; a great many little things.

Q. Do you know of post-offices being established on a side line, or side supply, as you call it, along on the Missoula and Walla-Walla route?—A. Yes, sir.

Q. Do you know that the service was discontinued on that side supply, and that no letters were carried to those offices on the side supply?—A. I don't understand what you mean. I know of two side supplies ordered on the route, I think; two or three.

Q. You have just now stated that there were no letters in the mail-bag; how did you know that?—A. You will find sworn affidavits in the Post-Office Department as to the weight of the mail from all those routes at that time. The postmasters drew these affidavits on each end of the route, or, rather, certified to the weight of the mails.

Q. Do you know Mr. Moore, of Walla-Walla?—A. I do.

Q. Don't you know that Mr. Moore, of Walla-Walla, certified at that time here that there were not over two or three letters that went over the route per quarter?—A. Yes, I do; or I believe he did.

Q. You just now said that postmasters had certified to the number?—A. Yes, sir.

Q. Was his certificate correct in that respect?—A. I think you will find a certificate that the mail was very light, and that a route was unnecessary, and, I think, right on the under side you will find another certificate that it was a worthy route, and the weight of the mails. I think you will see them together. One was when he was postmaster and one when he was an ex-postmaster.

Q. Did you not make complaint against Mr. Moore, and ask that he be removed on account of this report that he made that there was scarcely any mail going through?—A. No, sir; I did not.

Q. Did not C. C. Huntley make a complaint?—A. Not that I know of.

Q. Were you at Walla-Walla at the time?—A. I don't know whether I was there at that time or in Washington.

Q. Did you ever have any conversation with Mr. Moore in relation to the mails that were going over that road?—A. Not to amount to much. I believe I did a little, but nothing in particular.

Q. Did not Mr. Moore state to you that it cost from eight hundred to a thousand dollars for each letter that went over that route?—A. No, sir.

Q. Don't you know that he made such a statement to the Department?—A. I don't know that he did.

Q. Did you not hear at the time that he made such a statement?—A. He has made exorbitant statements, but I don't remember now exactly what they were.

Q. Did the postmaster at Helena ever make any statement in relation to it?—A. I think so, but I am not sure.

Q. Did he not make a similar statement to this made by Mr. Moore?—A. Not that I know of.

By the CHAIRMAN:

Q. How did you ascertain about the number of letters in the mail?—A. I never did ascertain about the number of letters in the mail.

Q. You said you thought they amounted to more than a certain number.—A. To more than two, do you mean?

Q. Yes; how did you find that out?—A. I could judge from the mail-sack whether it had ten or twenty pounds of mail in.

Q. Is all the mail letters?—A. No, sir; but from Walla-Walla to Missoula most of it in the middle of the route would be letters. At each end a good deal of it was paper-mail.

Q. I understood you it got lighter all the time in the middle?—A. In the middle it was always light.

Q. Then how did you find out whether there were more than two letters in the mail?—
I did not say that there were more than two letters.

Q. You don't know anything about how many letters there were in the mail at all, do you?—A. I never knew how many letters there were in the mail. I have not said that there were over or under two. I did not say anything about two letters, that I know of.

Q. Mr. Cannon asked you the question if there were more than two?—A. I only judge from seeing the mail-sacks whether it had one, two, or three hundred pounds.

Q. You don't know what the mail consisted of?—A. No, sir; it is locked up.

Q. That one, two, or three hundred pounds of mail was scattered over a very long route, was it not?—A. It was four hundred and fifty miles long.

Q. I understand you that it got lighter as it went each way toward the middle?—A. Yes, sir.

By Mr. CANNON:

Q. Did they carry mail out there and receive and leave mail at offices, or did you merely distribute the mail that you would start with at Walla-Walla, without taking up any at the way-office?—A. The mail would be distributed at every office passed.

Q. If there was mail from those offices to some other place, would you carry it?—A. Certainly.

Q. When you speak of carrying three or four hundred pounds of mail, and you speak in some instances of six hundred, you mean that you would leave Walla-Walla or Helena, as the case might be, with those respective amounts?—A. Yes, sir.

Q. And you would distribute what was for way-offices, and take up at those way-offices what was to go?—A. Yes, sir.

By the CHAIRMAN:

Q. Between Helena and Walla-Walla there are several large towns, but from Walla-Walla to Missoula how would it be?—A. From Helena to Missoula is one route.

Q. From Walla-Walla to Missoula is four hundred and fifty miles?—A. Yes, it is about that.

Q. There is no town on that route, is there, between Walla-Walla and Missoula?—A. Yes, sir.

Q. What town is it?—A. I don't remember; Waitsburgh is one town.

Q. How far is that from Walla Walla?—A. It is about twenty or twenty-five miles from Walla Walla.

Q. What other towns are there on that route?—A. There are several post-offices and settlements—small places—until you get to Spochan Bridge. There is another settlement there. Then from Spokane Bridge to Lake Pend Oreille; Pend Oreille at that time was quite a town.

Q. How far is Pend Oreille from Walla Walla?—A. It is about one hundred and eighty miles. That is on the lake. I suppose there were about four or five thousand people there at one time, and I suppose there are four or five now. On Lake Pend Oreille there are three steamboats that cost about \$75,000 apiece. Those boats were made there to carry the mails, and to carry passengers backwards and forwards over the lake, which is thirty miles across, and all the business between Montana and Eastern Idaho and Northern Idaho; I only wish to say that to show how it changed at different times. What would be good one year would not apply to another year. They thought that was a good investment to put three boats on that lake.

Q. When was that?—A. I forget what year it was. It was when the route was first established. They were put on there by the Oregon Steam Navigation Company.

Q. What other towns are there?—A. Horse Plains is a large settlement.

Q. How far is that from Missoula?—A. I should think it was about a hundred miles west of Missoula, between the lake and Missoula.

By Mr. MILLER:

Q. Was not this on the route of the Northern Pacific Railroad?—A. It was right on the route of the Northern Pacific Railroad.

Q. The Northern Pacific Railroad was being surveyed during a part of this time?—A. Yes, sir.

Q. And their company was at work there?—A. Yes, sir.

Q. That, of course, made a large business through there?—A. At times; when they were engaged there.

Q. I understood you to say that the mail was large from Helena west?—A. Yes, sir.

Q. And from Walla Walla east?—A. Yes, sir.

Q. But for the first few miles from each end of the route the mail was made up of newspapers and letters?—A. I mean to say that there were more letters leaving each end of the route than went through. That is, the people nearer Missoula used to take the Missoula papers, and they would send them out that way; while they did not take them clear over on the other end of the route; and the people from the other end of the route and near there used to take their local papers from there, and eastern papers which would come up part way and would not come clear through into Montana.

Q. So that, in the middle of the route where the mail was light it was made up almost exclusively of letters?—A. Yes, sir.

By the CHAIRMAN:

Q. How did you find that out?—A. I have carried the mail over there. I can tell by the sacks.

Q. You have seen it distributed, have you?—A. Yes, sir.

By Mr. MILLER:

Q. That would be a fact if the people only took the Helena papers on the eastern side of the mountain and the Walla Walla papers on the west?—A. Yes, sir.

Q. In your opinion, when you saw the mail and could examine it, were there more than two or three letters in the mail over these one hundred and fifty miles in the middle of the route?—A. I never saw so few as that.

Q. You thought there were a great many more, did you?—A. Yes, sir.

Q. You said that when you first took the Walla Walla and Helena route, you cleared the whole value of the stock on that route in five months?—A. From Helena to Missoula, we did.

Q. Did you during that time have any of the post-office money from here?—A. I figured that in. I did not receive it, but figured it in as having received it. I knew what that was. I knew it was a special contract for five months.

Q. You have stated that there was a disagreement between you and C. C. Huntley as to the amount that you made on the whole amount before you entered into the other contracts in 1874?—A. At our last settlement, which was five or six weeks ago, there was a disagreement between us.

Q. Did I not understand you that when you bought into these new firms, that you took it in payment of the balance due you?—A. I took it in payment of certain balances due me on certain routes up in Montana that never had been settled.

Q. You then said that there was a disagreement between you and C. C. Huntley of some \$25,000?—A. \$20,000 or \$25,000.

Q. But that you agreed to take one-half of his interest in these new firms?—A. No, sir; that was not it. He agreed to give me his one-half interest in the California and Oregon and the Northwestern Stage Company if I would give him up this account that I had against him, which ran through several years on different routes. It was all satisfactory, I supposed. Very soon after we made that verbal arrangement, he was taken sick and there was nothing else done about it until about six weeks ago in final settlement, when he claims not to have done it and not to have said it, and he did not claim that there was that much coming to me, and certain things he wanted charged to me I would not consent to, and I told him that I did not care whether I took his one-half interest or not. I would take that as he had agreed, but did not wish it, or I would itemize my account and render it.

Q. You said that you disagreed some \$25,000 as to what your share was of the balance that you thought was coming to you on these Montana contracts?—A. No; I did not mean it that way.

Q. Now you say that he offered to give you one-half of his interest to settle it, and you offered to take it?—A. Yes, sir; I did not figure that up as amounting to any particular thing. I had to take chances. It is all chance any way as to what his half interest is worth. I did not know how much his indebtedness to me was, and I could not ascertain it without a great deal of work, going through several accounts.

Q. You testified yesterday that you thought what was coming to you was \$70,000 or \$80,000, and C. C. Huntley did not think it was as much by \$20,000 or \$25,000?—A. Yes, sir.

Q. Now I want to know the difference; if you were mistaken as to your part of the \$25,000, that would make \$50,000 difference, because he would have to lose one-half of it; that is on these Montana routes, where you said that there was a disagreement of about \$25,000. You thought you were entitled to \$75,000 or \$80,000, and he thought you were not entitled to so much by about \$25,000.—A. About six weeks ago he said that.

Q. Was not that when you bought in?—A. No, sir. He was not satisfied when I bought in to give me his one-half interest, and had no dispute about the amount. The amount that was coming was not mentioned at all, nor was the value of his one-half interest or the full amount of my account against him mentioned. I said "I will give it to you and we will square accounts."

Q. Did he not dispute the balance of \$75,000 or \$80,000 that you claimed?—A. There was no dispute at all then. Six weeks ago we had a dispute.

Adjourned.

WASHINGTON, D. C., March 25, 1876

J. T. CHIDESTER sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Camden, in the State of Arkansas.

Q. What is your occupation?—A. I have been mail-contracting all my life—delivery business.

Q. About how many years have you been mail-contractor?—A. Over thirty years, or about thirty years.

Q. To what parts of the country has your business been confined?—A. Tennessee, Alabama, Mississippi, Arkansas, and Louisiana and Texas.

Q. Now say for instance within a period of — since 1869?—A. Arkansas, Louisiana, and Texas.

Q. You are still a contractor at this time, are you?—A. Yes, sir; in a small way.

Q. During that time, who have you been doing business with, or what is your firm, if you have a firm?—A. I have never had any partners since that time at all but my son; and I formed a partnership with J. J. Hines, but he did not fulfill his contract, and after running two quarters separated, and we settled. Really he never was any partner, because he did not comply with the terms of the contract, but we did business together as partners about six months.

Q. And then had to settle?—A. Yes, sir. Also Senator McDonald, from July, after his term expired in March, had an interest in my contract from that time up to last July.

Q. That is Senator McDonald of Arkansas?—A. Yes, sir. Those are the only partners I ever had.

Q. Were the contracts that you had large or small contracts?—A. Well, I had some pretty good ones; mostly small, though.

Q. Which were your largest contracts?—A. From our capital, Little Rock, to Fort Smith was the largest contract I have run since 1869. It amounted to \$24,000 a year.

Q. Were you running from 1870 up to 1874, or when was that contract?—A. Let me see. It expired last July and was for four years, 1870 or 1871, to 1875. July, 1875, it went out. I think it was for four years.

Q. Was that one of the contracts that Mr. McDonald was a partner with you in?—A. Yes, sir.

Q. You had no other partner except Senator McDonald?—A. No one, sir.

Q. Who had that contract previous to the time you had it?—A. I think the gentlemen that ran it previous to me were T. P. Sawyer & Co., known as the El Paso Mail Company.

Q. Do you know at what price the mail was carried when they carried it?—A. They carried it under a different contract from what I did. Yes, I know what price they had; between eight and nine thousand dollars, for tri-weekly service.

Q. Yours was daily?—A. Mine was let tri-weekly and raised to daily. I got it at the regular letting here by being the lowest bidder on it.

Q. That is the tri-weekly mail?—A. Yes, sir; and then I had it raised to a daily.

Q. Six or seven times a week?—A. Six.

Q. Your price was just doubled then, was it?—A. Yes, sir.

Q. Do you know anything about a contract with a firm by the name of Roots, Kernes & Co.?—A. I know Mr. Roots and Kernes both, and know what their circular calls their company.

Q. Where do their contracts run?—A. They are principally in Arkansas and Texas, and from Mesilla, New Mexico, to San Diego—a very heavy contract that I bid on myself. I think that is their heaviest contract. They have also a great number of heavy contracts in Arkansas, and Texas, and the Indian Territory.

Q. Do you know anything about their business?—A. No, sir; I do not.

Q. Your contracts, have you got them as the lowest bidder usually?—A. Always, sir, with the exception of sometimes when I was underbid by several bidders, but it appeared that mine was the lowest substantial bid that they took. They went back to mine in many instances, as the Department books will show; I always took the contracts when they came to me, and opened them and run them.

Q. You did not purchase out bids under you, then?—A. Never in my life.

Q. What routes were you and Mr. Hinds partners in?—A. We had several there. I was a contractor there, and he proposed to me to bid together and we formed a copartnership. I think I have the articles with me in my trunk, probably; we agreed that he should become a partner upon certain contingencies; that he should pay so much in for the stock that I had on the route. I was running them, and he was to pay in his share of money, which he failed to do; and after running six months, as I say, we closed that. They were heavy contracts, mostly in Arkansas. I have been pretty much confined to that State.

Q. He proposed to pay half the money for the stock?—A. He proposed to pay one-third, sir, to make himself equal before he was to have any interest in the stock, and when he did that he was to have one-third interest, which he failed to do.

Q. Did he draw the mail-pay?—A. Well, he tried to draw some, but he could not, because the routes were in my name. He put his draft in there, but I ignored it, and that was what brought about the settlement.

Q. He tried to draw the mail-pay?—A. He tried, but did not draw it.

Q. What kind of a settlement had you?—A. He stopped my mail-pay, claiming an interest in the contracts, and we settled, and he quit right there.

Q. Did you pay him anything?—A. Yes, sir.

Q. For his interest in the contract?—A. He claimed an interest in the contracts by his contract with me to have that interest in the stock. He claimed an interest in the contract for which, on a settlement, he claimed that he had spent some money in stock, and sending men out there to do business. He sent his brother out and claimed wages for him until he made a claim against me of over \$5,000. My recollection is, that I settled with him by giving \$4,000. I have that settlement with me.

Q. What was that claim for that he made against you for \$5,000?—A. Well, he claimed it was for services rendered in getting the contracts, and for his brother's work out there as agent upon the lines, and moneys expended promiscuously.

Q. Did he claim that he had to pay money out to anybody else?—A. He did not.

Q. He did not claim that any one else had an interest in the contract?—A. Mr. Hinds?

Q. Yes, sir.—A. Yes, sir. Mr. McDonald, as I told you, from July.

Q. Well, I say he did not claim, Hinds did not, that any one else had an interest in the contract?—A. No, sir.

Q. Which Hines is that—Capt. J. J. Hinds?—A. Capt. J. J. Hinds.

Q. Is that the same Hinds that they tried here last year?—A. Yes, sir; the same one.

Q. Can you remember the amounts that he charged you with, and for which you paid him \$4,000; had he really bought any stock?—A. Well, yes, he had. He sent one coach over there and some harness, I think, probably one lot of new harness. He sent one coach and a box of harness, I think four sets, and then I think he probably purchased five or six sets of new harness and sent there.

Q. He did not claim \$5,000 for that, did he?—A. No, sir; that is only one item. My mind does not serve me about the items, but if I am correct in my thoughts, I think I have got that settlement with me, which I can produce. I know I generally carried it with me when I came here for fear something might come up. It was on that he had my whole mail-pay stopped, because I did not pay his draft. He had no right to draw it, for he had no interest in the contract further than I have stated. If he had put up his money he would have had.

Q. What were the other items of the settlement, what was the other payment for?—A. Well, I think he charged for his services a pretty round price, and for his brother's services a pretty round price.

Q. What kind of services?—A. Well, services attending to the business here in the different Departments; that is what he claimed to have done.

Q. What was the amount of the contract for one year?—A. The amount of my mail-pay that year, I think, before the first contracts, was about in the neighborhood of \$40,000, and then I had—

Q. Contracts in which he would have been interested when he had paid?—A. If he had paid, yes, sir; something about \$40,000; and then there was a raise of \$12,000 put onto that Fort Smith road. However, that was not until after the settlement with Hinds, that that raise was made.

Q. What did his services consist in; what did he say he had done to entitle him to that amount?—A. Well, he claimed that he had kept a set of books here, and that he had done all the business through the Post-Office Department, of which he had done a good deal, and had spent the most of his time, he said, since that time on those contracts.

Q. Then it was not for any money paid out to anybody, but it was for his own services?—A. For his services and his brother's services. He charged them in his account. His brother was out there.

Q. Did he say anything about paying any money to any clerk in the Department, or anything of that sort?—A. No, sir; he did not.

Q. Paying any money for the influence of anybody else—any member of Congress, or Representative, or Post-Office official, or attorney?—A. No, sir. I think he had a good deal of freight and railroad tickets charged in his account. He passed out to Alabama and Memphis. I met him in Memphis twice while we were pretending to do business together.

Q. Are you acquainted with a man by the name of B. H. Peterson, a mail-contractor?—A. Yes, sir; I know Mr. B. H. Peterson.

Q. Is he a contractor at this time?—A. Yes, sir; a pretty heavy one.

Q. Where do his contracts run?—A. His contracts, that I know of, are in Louisiana and Arkansas.

Q. How many contracts has he now?—A. I think he has from fifteen to twenty.

Q. Are those large or small contracts?—A. Some of them are pretty good size. Mostly small contracts.

Q. Which are his large contracts. Name them if you know them. How large a contract does he hold now?—A. Well, if I could see a book of the Departments I could point out his contracts. In fact if I had a book with me I could show you what he gets for his contracts and every one. That book I have at my room. My mind does not serve me enough to designate them. His largest contract, however, is from the mouth of Red River to Shreveport. I think that is the largest one. It was \$30,000, and they reduced it to tri-weekly service, I think, \$15,000. That is the largest one I know of at any rate.

Q. What was your manner of doing business with the Department; I mean by that, did

you do your business through the clerks of the Department, or did you come directly to one of the chiefs?—A. I transacted my business chiefly through the Second Assistant Postmaster-General and the first clerk of the contract-office, and the Auditor. Those are the three men I principally did business through.

Q. The first clerk of the contract-office is Mr. French, I believe?—A. Yes, sir.

Q. Did you not have some difficulty about a bid and a check being taken out of the Department by one of the clerks?—A. I did, sir.

Q. Tell us what the difficulty was.—A. Well, I am not able to tell you that, sir. I had a bid taken out of there, with a check to it, and handed to me by Mr. Tyner, and asking me if it was my bid. I immediately told him that it was.

Q. Handed by Mr. Tyner?—A. Yes, sir. That is, he said that it had come into his possession; he did not tell me how. The bid was not registered as usual, but it was my bid, and made out at home before I left, and a check which I took out of my own bank and put with it, and he said they had no record of it.

Q. Whom did he get it from?—A. He did not tell me that.

Q. Did you not ask him how he came in possession of it?—A. Yes, sir; but he refused to tell me.

Q. What reason did he give for it?—A. He did not give any reasons. He said that they had no record of it. You see I had a list of all the checks—I had about \$30,000 worth of checks in there—and this check on my bank was missing and I went to him for it, and it was then that Mr. Tyner showed me the bid.

Q. Did you apply for the route under that bid?—A. I told him that if it was the lowest bid, I demanded the route; and he said they had no record of it, and, in consequence, could not give it to me.

Q. And he did not tell you how it came there?—A. No, sir.

Q. Did you mail it from Arkansas?—A. No, sir.

Q. You put it in here?—A. I did, sir.

Q. Did you deliver it to the Post-Office Department, or put it in the mail?—A. I delivered it to Mr. French out of my own hands.

Q. Was it delivered in the proper time?—A. It was, sir; in about fifteen minutes before it was time for receiving bids.

Q. Did Mr. French tell you it was in time?—A. Yes, sir. Well, I saw hundreds of other bids put in at the same time. Not a hundred, but hundreds of them.

Q. Did you never get any explanation of it at all?—A. Not at all, any more than they had no record of it.

Q. And, therefore, could not give you the bid?—A. No, sir.

Q. The way you ascertained anything about it was, you called for your check, not having been awarded the contract?—A. Yes, sir.

Q. Did you ever ask Mr. French about it?—A. I asked Mr. French about the check and he referred me to Mr. Tyner. Mr. French is the man that I got my checks from.

Q. You asked him for the check and he referred you to Mr. Tyner?—A. Yes, sir.

Q. Did he not give you any explanation of it at all?—A. He did not. There were about six other bids that I had that had no checks with them that I got no record of at all.

Q. You got no record of?—A. No, sir. They were not registered either.

Q. Did they tell you that they did not give you bids because you were not a legal contractor; did they give you any reason at all?—A. No reason at all, only that there were no such bids registered. I gave them a list of my bids, and they said they had none such on record.

Q. Who makes the record of the bids?—A. The clerk in the contract-office.

Q. Who was the clerk at the time, that made the record of the bids?—A. I don't know his name, really.

Q. Was it Channell?—A. No, sir; I don't think he was the clerk. I think the clerk in the contract-office at that time was an old gentleman, Mr. Sickles.

Q. How long ago was that?—A. That was at the last letting, sir.

Q. This last letting?—A. Not the last—the last letting was for different States—but the last general letting for Arkansas.

Q. That was in 1875, was it?—A. Yes, sir.

Q. July, 1875?—A. Yes; the fore part. They went into effect about July, 1875.

Q. Was it about the time of this prosecution of Hines; at the time they discovered these clerks?—A. Yes, sir.

Q. You got other bids—other contracts?—A. I got one contract. I put in about a hundred bids, and out of a hundred I got one contract. There were six or seven of my bids, I think, that were abstracted from my son's desk.

Q. Were those lower bids than the contract was let at?—A. No, sir; I don't think they were; but at the same time they should have been registered there. I put them in there.

Q. I thought probably that would explain why they were taken out.—A. No, sir.

Q. I was trying to get a reason why they were abstracted.—A. I have never got a list from their books of the accepted bidders; consequently I could not tell whether they were the lowest or not, but they were pretty low bids.

Q. Have you never asked anybody in the Post-Office Department that ought to know,

for information?—A. I asked Mr. Tyner, and he could not account for them. He said there was no record of them there, and could not account for them. I showed him my numbers and told him, said I: "Those bids are gone, and I put them in here. Here is my list, sir, and my list shows to-day what bids I put in."

Q. Were there checks with the other bids?—A. I had nearly \$30,000 in checks in there, and some had checks and more did not. There were no checks with the other missing bids, only the one you spoke of. That was the only check-bid.

Q. The other bids, you don't know what became of them?—A. I never have seen them nor heard of them. I heard several other contractors complain of the same thing—that their bids had been taken out and no record made of them.

Q. At what time was it that that man Channell was in the office there?—A. I don't know.

Q. Was Mr. Floyd one of the clerks?—A. Yes; Floyd was one of the contract-clerks.

Q. You had business frequently with Mr. French, had you?—A. Yes, sir; every time I came there to settle. I always came on to settle my accounts myself.

Q. Did you have any difficulty in settling them?—A. Sometimes I did, sometimes I did not.

Q. Were you ever fined on your contracts, or were deductions made?—A. Yes, sir; pretty heavily sometimes.

Q. Were any of those fines remitted?—A. Well, not before these present officers. I have not had any. I had a fine remitted by General Giles A. Smith of \$1,800.

Q. What route was that on?—A. That was on that same Fort Smith route. I ran it before.

Q. What was the fine for?—A. Well, sir, we had an extensive overflow there. It lasted for two months; and I showed him by the postmasters that I got the requisite number of mails through. I had sometimes to ship them on a boat, direct from Little Rock to Fort Smith, and he simply deducted the amount of my mail pay for the quarter, and then made me show every mail that I carried, and everything else. I did show, by affidavits, the days that the creek was up and the portions of the route that I carried on and all, and then he remitted the fine.

Q. After you had given complete evidence in regard to it?—A. Yes, sir.

Q. What year was that?—A. That I can tell by referring to my papers. It was in the other contracts previous to the contract ending July a year ago.

Q. That was probably in 1871 or 1872?—A. No, sir; it was let in 1871, I think. It was subsequent to 1871. From 1871 to 1874, I think I had it.

Q. I mean the year that the remission was made.—A. I think it was in 1870 or 1871; I cannot tell which. If my memory serves me, I think the contract ran out in 1871.

Q. Had you any knowledge of this man Hinds's plan of operations in the Post-Office Department from him?—A. No, sir; I did not.

Q. Did he never tell you anything about it?—A. Nothing more than that he spoke of operating in the States of Alabama, Mississippi, and Georgia, and with the railroads, and the closing up of a large contract he had there had run him out, and he wanted to go to the West; he wanted to put in some capital with me, and that he had been successful in his operations there.

Q. In Alabama?—A. Yes; in Alabama, Mississippi, and Georgia, and Tennessee.

Q. What time had he made his operations in Alabama; up to 1875?—A. Yes, sir.

Q. Do you know who his partners were in Alabama?—A. I do not, sir. I don't know that he had any.

Q. Whom did he say he operated with?—A. Some steamboat men, I think. He was hiring some steamboat man there, I think, to carry his biggest mail; it strikes me their name was Todd and Spiller. The parties that he hired to carry his contract had *subbed* his contract to them, or interested them in it, in some way. I don't know enough to make a statement about it. Those were the names which he operated through.

Q. Did you have any other deductions than that?—A. Yes, sir; I have had deductions all the time up to now. The present quarter they deducted me.

Q. Did you get those deductions remitted, or did they take them out of your pay?—A. No, sir; they have taken them out of my pay.

Q. Do you know anything about the life-insurance business that was carried on by Mr. French?—A. Yes, sir; I do.

Q. Did you have your life insured?—A. I did, sir.

Q. For how much?—A. \$5,000 in that company.

Q. He was agent for the company, was he?—A. So he represented himself to me, and the papers so stated.

Q. What time was that?—A. I think I took out that policy in 1872; 1871 or 1872.

Q. Has the policy expired, or is it still running?—A. It is still running, sir.

Q. You have been paying it up?—A. Yes, sir; I have been paying it up all along. I have been paying it up until this present time. It was due in February, and I could not get here. I wrote to him and he said he could arrange it so that I could pay it when I got my mail-pay. I have kept it paid up all the time, though.

Q. How did it occur that you insured in that company of which Mr. French was agent?—A. Mr. French asked me to take out a policy with him. He said that a great many other

contractors had done so, and I had an idea of insuring, and took \$5,000 more than I had. I have some insurance besides, \$10,000 in other companies, and I thought I would take \$5,000 with him.

Q. Had you any other view in taking that life insurance of Mr. French, except to make the insurance as a business operation?—A. No, sir; I had no other view only as I was acquainted with him, and he was the agent.

Q. You did not expect to get any benefit from it outside of mere insurance?—A. Not at all, sir.

Q. Did you expect him to do any favors for you by taking the insurance?—A. No, sir.

By Mr. CANNON:

Q. In reference to these six or seven bids of yours that were not registered, you filed those yourself, did you?—A. I did, sir.

Q. Were you bidding with Mr. Hinds at the time?—A. No, sir.

Q. Were Mr. Hind's agreement and yours existing at that time?—A. No, sir.

Q. It was before that?—A. We were only together as I told you six months, or during the fore part of the other contract three or four years ago. It had been out for a year or two years.

Q. The time you ascertained that those bids were not registered, and that your bid and check were handed back to you, that they had no record of, was that about the time of the Hinds-Kittle difficulty here?—A. It was, sir; the trial was either about taking place or it was right at the trial. That is the time that I learned it.

Q. There was a good deal of talk, was there not, about the Department, at the time of that trial of some of the clerks, probably these men Channell and Floyd, and perhaps others who had been abstracting bids or not registering bids, and generally acting unfairly?—A. Yes, sir; I heard of such talk, but never heard it from any of the officers, but outside.

Q. It was canvassed, and was one of the facts involved in that trial, was it?—A. Yes, sir.

Q. And when Mr. Tyner handed you back this bid and the check that you spoke of, he stated that he could not consider it, because it was not a part of the record?—A. Yes, sir.

Q. That he had no right to consider it?—A. Yes, sir; that is what he told me—that he had no record of it in the Department, and he could not consider it.

Q. The manner in which he came into possession of the bid and check, he declined to tell you at that time?—A. Yes, sir.

Q. These other bids you never did find?—A. I never had any notice of them nor heard of them. I think there were six besides that; I think there were seven in all abstracted. I put in between ninety and a hundred bids, and there are seven of them gone.

Q. You think those bids that were abstracted were not the lowest bids for the routes?—A. I could not tell; they were very low bids. That is all I can say.

Q. This other bid to which the check was attached, you say, was not the lowest bid upon that route?—A. I don't know, sir.

Q. Do you recollect upon what route that was?—A. Yes, sir.

Q. What route was it?—A. It was the route from Dallas, Texas, to Jacksborough; I think that is the route. I think I have the bid yet. The check I have returned to the bank.

Q. You speak of the \$1,800 remission in Mr. Giles Smith's time; that was upon full proof, was it?—A. It was upon full proof. I brought a great pile of affidavits there before he would do it.

By Mr. McMAHON:

Q. Do you know a man by the name of C. S. Sayre?—A. I know a man by the name of Sayre, but what his other name is, I don't know.

Q. What is his business or occupation?—A. I am not able to tell you.

Q. Where does he live?—A. I am not able to tell you that either. I saw him here; that is where I got acquainted with him.

Q. When did you see him here?—A. I have seen him here nearly every time I have come here for the last eighteen months or two years, I think.

Q. You are acquainted with him personally?—A. Yes; barely acquainted with him; that is all. I cannot tell who introduced me to him, but I have met him here as Mr. Sayre, and I don't know what his initials are. He told me he was from Alabama.

Q. Do you remember having a little conversation, in his presence once about a settlement that took place between you and Hinds when the profits of one of your routes was being divided?—A. I recollect, sir, of having some conversation, his speaking to me something about Hinds and my settlement one day upon the street, but it was a street-talk, and I never paid much attention to it. My mind does not serve me well enough to even recollect what did take place.

Q. Don't you remember now, as a matter of fact, independently of the conversation with Mr. Sayre, that when you and Hinds came to divide up the money that was coming to you on one of the routes, Hinds insisted that \$5,000 should be retained for the benefit of Senator Spencer?—A. No, sir.

Q. Now, think of that.—A. Well, I think of it. I don't think any such conversation

occurred. In the first place we never had any divide of any money. There never was any money coming to him.

Q. I know, but he fell in debt to you, Hinds did. But did not Hinds, in that conversation about that matter, want \$5,000 from you, or for you to make up your share of \$5,000 for Senator Spencer? Senator Spencer "backed up" Hinds, did he not?—A. I don't know that, sir.

Q. Didn't Hinds tell you so?—A. I don't recollect of his telling me so.

Q. Think about that, now.—A. It will be well enough for me to say here that Mr. Hinds and I were great enemies at that time, and I might have said something on the street, but I don't recollect it really. If I did, I don't recollect it. We were enemies, and have been since, and I don't want to do the man injustice, for I think he has had enough done him, and I have only made a passing remark to him since.

Q. You were in partnership only about two months?—A. Six months; and then it was not a partnership. It was if he complied, but he did not comply, and of course it was no partnership. I have the partnership-papers that I can produce.

Q. That is a matter I don't care so much about, but what I do want to know is, not whether you actually contributed any amount of money, but whether Hines insisted that you should contribute your share of \$5,000 which he was to pay to Senator Spencer or somebody else, not naming anybody?—A. My mind does not serve me that he did, sir.

Q. What was the cause of your falling out?—A. I will tell you it plainly, as I stated before—

Q. If you have already stated it, you need not repeat it.—A. You were out. It will take only a minute. He drew a draft of \$1,500 which he had no right to draw on our pay here, and he was to put up money to pay for his portion of the stock before he had the right to any money; and he drew that, and it made me very mad. I came on here, and he had stopped my mail-pay because that draft was not honored. I came on here, and they ordered me paid. Then I told him that we should settle and go no further, and we never have since then.

Q. You made the remark a moment ago that you and he were great enemies, and you may have said something that ought to be taken with allowance.—A. I may have done so. I don't recollect it, sir. It was two years and better ago, and it is a good while for a man to recollect such a conversation.

Q. That is, this conversation with Mr. Sayre?—A. Yes, sir; I recollect meeting Mr. Sayre about two years ago.

Q. I suppose you give us your recollection of that conversation with Mr. Sayre as near as you can, if you have any recollection of what did pass?—A. I do not have any recollection, only that we were talking promiscuously about it, and I recollect that I was very hostile to Mr. Hinds at the time, and my mind does not serve me as to what the conversation really was. I had just come out then from finishing the settlement.

Q. With Mr. Hinds?—A. Yes, sir.

Q. You met Mr. Sayre on the street?—A. I think so, sir.

Q. Now, what was it that exasperated you that you talked to Mr. Sayre, and made you so hot about?—A. I think Mr. Sayre commenced to ask me about my business and Mr. Hinds. I think so, but I wouldn't be positive of even that.

Q. You don't say that you did not have this conversation with Mr. Sayre such as I have indicated?—A. I don't think I did, sir. I say my memory serves me that I did not have it. I don't remember any such conversation.

Q. Was there anything like it?—A. I cannot say what we did talk about.

Q. I may have the wrong names, or the wrong transaction. Was there anything like it with some other party?—A. No, sir. Well, I have talked to several men—there were a great many who came to me and asked me, and I have invariably answered that I had settled with Mr. Hinds, and had nothing to do with him and did not want to do anything.

Q. I am speaking of the conversation just as you came out from Hines's.—A. I had not just come out from Mr. Hinds's; I think it was on the avenue that he met me and asked me about it, but what did take place I don't recollect well enough to testify to.

Q. Did you make any charge against Mr. Hinds in that conversation?—A. I don't think I did.

Q. Do you remember of Mr. Hinds claiming for anybody—I won't mention any names now—but for any person outside, money that he claimed was necessary to help him to get certain matters through? I don't say Senator Spencer or any other Senator or Congressman, but any person, for outside expenditures?—A. I do not, sir.

Q. No recollection at all?—A. I don't recollect of his ever claiming it. I have his account-current, I think, that I could show here, and it might refresh my memory in some things. I have his articles of copartnership with me, I think.

Q. Did you take his note for what was coming to you?—A. No, sir.

Q. Did you take his check?—A. There was nothing to come to me. I stopped this money in the Department; and I settled and got my pay from the Department, and on the settlement, I think, I paid Mr. Hinds some \$4,000 to get shut of him.

Q. Was that really coming to him on the settlement fairly, according to your figures?—A. I don't think it was, sir; and never did think so. That is what I fell out with him for.

- Q. How much was coming to him fairly on the settlement, according to your figures?—
A. I don't think there was anything.
- Q. But you did pay him over \$4,000?—A. My mind serves me—the papers will show exactly to a cent what I paid him for it. I took his receipt for the whole amount. We left it to a disinterested party to settle and they brought in that settlement, and I never said a word.
- Q. Who was this third man that made a settlement between you?—A. My man was Senator McDonald.
- Q. Who was his man?—A. I cannot call his name.
- Q. In what business was his man engaged?—A. He was in some business in the Department there.
- Q. Clerk in the Department?—A. Yes, sir; I know his name, if I could think of it.
- Q. What office was he in—the contract-office?—A. I will tell you his name in a minute, if I can think of it. He was a Jew; Judge Noah, I think his name was.
- Q. What office did he hold?—A. I cannot tell you that. I don't know that he held any. He was his man.
- Q. Did these two men agree without taking a third?—A. They did agree, I think, without taking a third. Mr. McDonald came to me, and said he, "You have got to pay so much money to him, to get rid of him." I said, "Then fix the papers."
- Q. How did it come that your account and his differed so widely?—A. He claimed that he had that interest; that the contracts were worth that much to him in which we agreed to be partners, if he put up the money. That is where it came in exactly.
- Q. Did he not claim also that he had expended some amounts of money to keep this business right that you contractors have to do; did he not make some such claim?—A. Not to me, sir.
- Q. Did he not to the arbitrators?—A. I am not able to say that. I was not there.
- Q. Didn't they so report to you afterward?—A. No, sir.
- Q. Didn't Senator McDonald so report to you?—A. No, sir.
- Q. The \$4,000, then, you paid to get rid of him?—A. That is exactly the way I looked at it.
- Q. And Senator McDonald told you you did not owe it, but you had better pay that to get rid of it?—A. Senator McDonald told me that I had to pay that out, that they had settled that I should have to pay that out.
- Q. When he came out and talked about the arbitration, he said you had better pay him that and get rid of the trouble?—A. Well, he told me I had to pay; that was their decision; I left it to them.
- Q. Was Senator McDonald in the Senate, or was he outside?—A. He was outside; it was along—
- Q. In the year 1872, was it not?—A. It was after his leaving the Senate. His time was out in March, and that made this contract in July; I think it was July following.
- Q. How extensive were the money transactions between you that you settled at that time; how much money had you received from your departments on your contracts in which he was interested?—A. I had received one-quarter's pay, which was, I think, in the neighborhood of eight to ten thousand dollars.
- Q. Was that all the money that you had received on the contracts?—A. Yes, sir.
- Q. Who had expended the money in keeping up the stock, &c.?—A. I had, sir; I owned the stock.
- Q. What interest had you in the matter?—A. Just the interest that I told you, sir. He was to have an interest when he paid up for his portion of the money for the stock. I owned all the stock, and I sold him one-third of the interest in the concern and in the contracts, and he claimed that there was so much money in the contract. We could not get along together, and we settled.
- Q. A quarter's pay was \$8,000 or \$10,000?—A. Yes, sir.
- Q. So a year's pay would be \$32,000 to \$40,000?—A. It was about in the neighborhood of \$40,000, I think, our mail-pay.
- Q. That was the only thing he had an interest in?—A. That is all.
- Q. You had been running your stock and paying all the expenses?—A. I owned the contracts before and then got them again, but sold him this interest, as I tell you. The stock was mine, and he agreed to put up so much money to let him in.
- Q. You had run it one quarter?—A. O, I had run it three or four years before that.
- Q. But I mean together.—A. We had run it one quarter together, and the next quarter he drew this draft and stopped my pay.
- Q. How much pay had he got from the Department before you settled with him?—A. He had not got any, sir.
- Q. This \$1,500 draft he got, did he not?—A. No, sir; he didn't get that; I stopped it, and they paid the money to me. He had no right to draw it.
- Q. You received eight or ten thousand dollars on the first quarter and the same on the second?—A. When I received it, but we fell out before the second quarter was settled.
- Q. Did you not settle with him for his *pro rata* of the quarter?—A. No, sir; this was finally settled. I paid him \$4,000, and we passed receipts to quit, and he transferred all his right

title, and interest, everything, to me, for which I have the papers here. In the contracts that is all he had to transfer.

Q. Do you say you have the papers here with you?—A. Yes, sir; they are in my room, I think.

By Mr. CANNON:

Q. I understand Mr. Hinds had an interest in some of the contracts, and you had an interest in them also, and owned a lot of stock. You had been performing the service upon these routes on the prior contract term?—A. Yes, sir.

Q. You and Hinds met and made an agreement to enter into partnership. He was to buy a third of your stock and pay a certain amount of money; he did some traveling, and his brother went to Arkansas to act as his agent?—A. His brother went there and acted as agent upon the routes, for which he received pay.

Q. Mr. Hinds drew the \$1,500 check, but did not get the money?—A. He drew the check and did not get it.

Q. He did not pay his money, as he had agreed to, for this stock, and you and he fell out?—A. Yes, sir.

Q. He claiming rights under the contract, you put it out to the arbitration of Senator McDonald and Judge Noah?—A. Yes, sir.

Q. And their award was that you should pay him \$4,000, which you did?—A. Yes, sir; and he quit everything, and quit the contracts.

Q. That closed up the matter between you and him?—A. That was the close of the thing, I think, sir, and I think I have the papers with me.

By Mr. McMAHON:

Q. That was something over \$4,000?—A. It may have been between four and five thousand; I cannot recollect.

By Mr. CANNON:

Q. Do I understand you to say that Hinds did or did not claim that he had paid Senator Spencer \$5,000 for the influence in the contract?—A. No, sir; he did not.

Q. Did he claim that they ought to pay Senator Spencer \$5,000 or not?—A. No, sir.

Q. Did he claim that they ought to pay that to assist in his election that was then coming off?—A. Not that I have heard of.

By Mr. SLEMONS:

Q. Did you bid on the route from Camden to Monticello at that time?—A. Yes, sir.

Q. Was there a check for that bid, or was that under the amount?—A. I think it was under the amount, sir. My mind serves me it was under the amount of a check-bid.

Q. Who has the contract on that?—A. B. H. Peterson is the present contractor.

Q. On the route from Camden to Monticello?—A. Yes, sir.

Q. Did you bid for the route from Camden to Monroe?—A. Yes, sir.

Q. Was there a check for that?—A. No, sir; there was no check for that.

Q. Who was the contractor on that?—A. B. H. Peterson.

Q. Were those checks lost, or not registered, or what became of them?—A. There were no checks with those bids.

Q. I mean to say the bids. Did you get them back, or were they lost?—A. I think those bids are registered, sir.

Q. Do you know whether they are the lowest bids or not?—A. No, sir; they are not the lowest bids.

WASHINGTON, D. C., March 27, 1876.

D. P. THOMPSON sworn and examined.

By Mr. LUTTRELL:

Question. Governor, will you just state your connection with the Post-Office Department as a contractor, and all the facts relating to the case?—Answer. I have had mail-contracts since 1858.

Q. You were a bidder for contracts in 1873 and 1874?—A. I was.

Q. Will you state the routes on which you bid?—A. I was bidder on the route from Kelton to The Dalles; from Winnemucca to Boise City, Idaho Territory; from Boise City to Idaho City; from Boise City to Rocky Bar; from The Dalles to Boise City; from Walla-Walla to Lewiston; from Redding, in California, to Roseburgh, Oregon; and many smaller bids that I don't remember.

Q. Did you receive any of those contracts?—A. I received the contract from Boise City to Rocky Bar.

Q. Will you state now what "deal" you had with Mr. Barlow, and the whole circumstance attending the same?—A. I put in bids on these routes, made deposit of the 5 per cent. of the amount of the former contract; deposited the same with the Assistant Postmas-

ter-General. The contracts were let on or about the 8th March, 1874. The contract from Kelton to The Dalles was let to a man by the name of De Lacey. On the 1st of July De Lacey commenced his services on that route, and some time about the 1st of September I was notified by the Post-Office Department, or an officer of that Department, that I could take down my checks; that the contract was let, and that service was being performed to the satisfaction of the Post-Office Department. A few days after that Mr. Barlow came to my room and asked me what I thought about De Lacey being able to carry out the contract; he having got it at a very low rate. I said to him that he had the stock on the route. He asked me what was my opinion of the next lowest bidder getting the contract if De Lacey failed. I told him I did not know. He said to me, "What do you propose to do with your bid?" I said to him, "I propose to hold to my bid;" that I had put in a bid that was made in good faith, and I had no connection with any other bidders. He said to me, "What will you take to withdraw your bid—abandon it? You have a right to do it. You have been notified by the Department that you could take your money down, and that the contracts was being carried, by an officer of the Department." I said to him, "There are bidders between this bid and my bidder; several of them. The probabilities are that the service will not come to my bid; but it shall not get above that." He said to me, "What will you take for your bids?" I said to him, "I will take \$5,000 for the Redding and Roseburgh bid, and I will take \$15,000 for the others." After some talk, he proposed to sell me the stock that he had on two routes—the Redding-Roseburgh route and the Kelton-Dalles route; and after some negotiations we agreed conditionally on the price of the stock—on condition that I should get the contract. In a few days after that he came to me and said—this was about the 1st of September—that he would take my bids at the terms I proposed, and I abandoned my bid because the Post-Office Department informed me that it had no further claims on me, and it was questionable whether I had any on the Post-Office Department or not, they having given me notification to take my checks down that I had deposited to the amount, I think, of about \$34,000. Mr. Barlow gave me \$15,000, and I took my checks and abandoned the bids on the routes in Eastern Oregon, Idaho, and Washington Territory. The contract was finally awarded to me on Boise City and Rocky Bar route, and I took the contract and filed my bonds.

Q. And you are still carrying on that contract?—A. Yes, sir. The other routes were afterward let to Mr. Barlow at the prices which the post-office books will show. I do not know myself what the prices are. I regarded the whole matter as being abandoned at the time that Mr. Barlow purchased my interests in those contracts, as I had been told that the Post-Office Department would not be responsible for the checks that were deposited with the bids any longer.

By the CHAIRMAN:

Q. What was Mr. Barlow's object in buying those bids?—A. I presume it was so that no one would put in a claim for the bids lower than what I was.

Q. Were his bids above yours?—A. He was about \$11,000 above my bid.

Q. What kind of an agreement did you make with him in regard to the sale of the bid; anything in writing?—A. No written agreement whatever.

Q. You withdrew the bid yourself?—A. I did not do anything.

Q. You withdrew the checks?—A. Yes, sir; I had been notified by an officer of the Post-Office Department to take my checks away.

Q. I understand you to say that you did not think your bid worth anything from the fact that De Lacey had entered upon the service, and the Post-Office Department had asked you to withdraw your check?—A. Yes, sir.

Q. That is what made me ask the question, why he bought your bid.—A. I do not know that. I had never spoken to Mr. Barlow in regard to the matter, or to any person.

Q. What did you suppose was his object at that time?—A. My supposition is that Mr. Barlow, who had known me for some time, and knew I had some little reputation for grit in holding on—that if I would abandon my bid the price would go up to a bid that he could control, if not to his own bid.

Q. Were you not to bid again on the same route?—A. No, sir.

Q. No agreement of that sort?—A. No, sir; no agreement that I should not bid at all. There was no other agreement. There was never a scratch of the pen between us.

Q. You say that Barlow talked to you something about De Lacey failing to perform the service?—A. Yes, sir; we were sure that De Lacey would fail; that he could not supply the service at \$67,000 a year.

Q. He was making a contract with you with the idea that De Lacey would fail, and the scale of bidders would be run up, and he wanted them all out of the way. That is the whole of it, is it not?—A. That is the substance, and he and I both thought at the time, or he so expressed himself, that it was doubtful whether the Postmaster-General would consider himself authorized to put the bids up after De Lacey's service had been recognized, and the checks had all been taken down, and the bids all abandoned as far as the Government was concerned. I knew that there were several bids immediately below my own.

Q. Were you asked to take the contract at that bid?—A. No, sir; I was not asked, though a circular was sent to me afterward, some time, I think, in the winter, I think about the 1st

of January, saying this: "Will you take the contract if it should be offered to you?" That was the words of it.

Q. Did you send an answer?—A. I did not answer that question, because I had agreed with Barlow not to take it in that event, for which he gave me \$15,000. That was all I agreed to do, and what I agreed to do. It is the time that I wish to correct the impression about, and that was that the contract was awarded on the 8th of March, and this transaction took place about the 1st of September following.

Q. That is September, 1875?—A. September, 1874. The contractor, De Lacey, commenced service on the 1st of July, and this was nearly two months after he commenced the service, and at that time he was carrying on the service to the satisfaction of the Department, at the time that this transaction between Barlow and myself took place, and we had had no conversation or correspondence with each other prior to that time. What Mr. Barlow believed I cannot tell, only his representation to me, and that was it was doubtful whether the Postmaster-General would put the service up; that he did not regard him as being obliged to put it up by any means; that he could reject the contract and re-advertise if he saw fit.

Q. Did you intend to carry the mail at that bid—bona fide?—A. I did; mine was a bona-fide bid. I would take it to-day at the same rate.

Q. You think you could carry it at a profit at that bid?—A. Not a very large profit; but I can make a reasonable profit carrying it at that price; \$123,400 from Kelton to Dalles.

By Mr. WADDELL:

Q. What do you call a reasonable profit?—A. I suppose I could make about \$15,000 a year.

Q. Do you mean to say that the actual cost of carrying the mail on that route would be over a \$100,000?—A. The cost on my estimate, and I believe I made it carefully, after having the assistance of a man who had been a book-keeper on the route for former contractors, and who was competent to do it—Mr. Hubbell—he estimated that the cost of carrying that route was \$168,000 per annum.

By Mr. CANNON:

Q. Did that include the stock that you put on it?—A. Yes, sir; we included the cost of the stock, and the wear and tear, and the interest on the money. When I am speaking of the \$100,000 I am speaking of the cost of carrying the mail only; there was considerable travel over that route; Wells, Fargo & Co.'s express amounted to considerable over that route. We had the books for it, and we knew about the amount of travel over that route. I expected to make about 12 per cent. per annum on my money, and about \$11,000 profit.

By the CHAIRMAN:

Q. You asked Barlow about the profit that you would make on that bid for one year?—A. Yes, sir.

Q. Did he purchase the Roseburgh and Redding bid also?—A. No, sir. My bid was not as high as his bid, but it was higher than the bidder that he took the contract on. My bid was \$89,000 per annum, and under the contract about seventy-four thousand and some odd dollars. I agreed to purchase his stock, providing it went up to my bid; and agreed to give him, I think, \$44,000 for his stock. I had put one bid in, and had no connection with any other bid.

Q. Did you sell any other bids at the same time to other parties?—A. I sold other small bids, but they were all included in this Dalles-Kelton bid. I said to him, "Here, I will put them all in."

Q. I mean did you sell to any other parties?—A. No, sir.

Q. Have you been in the habit of buying bids and making contracts in the same way?—A. No, sir; I have not bought bids. I had a large number of bids in Texas, and I hired men to carry them, but I have not bought any.

Q. Have you been in the habit of selling in other instances?—A. No, sir. I have sold some bids—not the bids, but I hire a man to carry the bids, and I hire him as low as I can get him; what you might call a subcontractor.

By Mr. LUTTRELL:

Question. I understand you to say that all your bids have been legitimate?—Answer. Yes, sir. I never put in any straw-bids; my bids have all been bona fide.

Q. And that you had to deposit \$34,000 in the Post-Office Department with your bids?—A. Yes, sir; in the National Bank of the State of New York, where the money was put to secure the checks. This, in some instances, I am satisfied has not been done; or in a great many instances has not been done.

By the CHAIRMAN:

Q. Have you ever belonged to any ring of contractors?—A. I never have, sir; I have always put in what I regarded as an honest bid, but I must say that an honest bidder has not had much chance.

By Mr. LUTTRELL:

Q. What ground have you for thinking that some of the bidders were allowed to put in their bids without putting up the money?—A. I only give it as my opinion, that a great many men were putting up checks who had not the means of putting up the money, and they could get the checks certified to by the national banks, and especially Denver banks, for a very large amount, and it is very doubtful whether the money was put up or not, because there was no risk whatever.

By the CHAIRMAN:

Q. On what routes were those bids?—A. On western routes. There were men here connected with these banks; I heard it stated—I cannot now say by whom—that checks would be furnished for \$15,000 or \$20,000 for \$500 or \$600 bonus. The checks were certified to by the bank-cashiers, which I presume was legitimate enough; but I did not avail myself of that, but put the money in the National Bank of the State of New York, which has suspended the other day, by the way.

By Mr. WILLIS:

Q. The checks in those cases are good, if the bank is good?—A. Yes, sir.

Q. Just as good, whether the money is put up or not, as far as the Department is concerned?—A. Yes, sir; just as good.

By Mr. CANNON:

Q. This was the letting of 1874 that you have been speaking about?—A. Yes, sir.

Q. Under the then, and now, existing law in reference to contracts?—A. Yes, sir.

Q. You put in your bids in good faith, as I understand you to say?—A. Yes, sir; I did.

Q. Your bid was not the highest or lowest bid?—A. No, sir; it was about a medium bid in all the contracts.

Q. On the Kelton and Dalles route it was about \$123,400?—A. Yes, sir.

Q. Several bids below yourself?—A. Yes, sir.

Q. What was the lowest bid on which De Lacey got the contract, and commenced performing service upon?—A. \$67,000.

Q. That was considerably under what the service could be done for, in fact, and remunerate the parties, as I understand you?—A. Yes, sir; I think De Lacey would have lost about \$33,000 in money and the interest on his investment, per annum.

Q. Did not De Lacey use Barlow's stock?—A. I cannot say anything about the arrangement between Barlow and De Lacey.

Q. Or whether De Lacey bought it of Barlow?—A. Or whether De Lacey bought it or not. It was the same coach I was in the habit of passing backward and forward in, and the same horses.

Q. If he bought it, under what condition he bought it, whether it was conditional or absolute you do not know?—A. No, sir; but it was the same stock, and the same horses, in a great measure, that the service had been performed with.

Q. You do not think it was ever paid for?—A. I do not know anything about that.

Q. You do not know whether it was or not?—A. I do not know anything about it.

Q. Then, I understand that, under the law as it was then, or is now, there being a number of bids on this route and the law compelling the Postmaster-General to let it to the lowest bidder who would give guarantee for the performance of the work, that those parties contracted and commenced the performance of service, and performed it from July to September?—A. July and, I think, until December.

Q. July until December, you say; under the law as it was then, it was made the duty of the Postmaster-General, when this service was commenced and carried on in good shape, to deliver up the checks on the higher bids, was it not?—A. Yes, sir.

Q. And, under that law, your checks were delivered up?—A. Yes, sir; my checks were delivered up.

Q. The law also provides, I believe, that then the highest bidders, whoever they might be, were discharged, so far as any obligation rests upon them?—A. Yes, sir.

Q. Yet, if the lowest bidder who was performing the contract failed, the Government was compelled to travel up that list of bids until the Postmaster-General, in the exercise of his sound discretion, thought it too high?—A. That was understood.

Q. And if he thought that the bid was too high, and he could get parties to enter into service, under the law it was made his duty to commence temporary service I believe?—A. Not exceeding six months.

Q. And to re-advertise the routes?—A. That was the law.

Q. When this same thing might be gone through with again, provided the same bidders might come in, in substantially the same way?—A. The same thing might be gone through with in the same way.

Q. You were not willing to carry out your bid?—A. Yes, sir.

Q. Well, you were not bound to do so, yet the Government was bound to take your bid, provided all the bidders below you failed, unless it was thought to be too high a bid?—A. I thought I had a claim on the Government.

Q. While the Government had none on you?—A. Yes, sir.

Q. And that being the law, Mr. Barlow and you had this conversation and you sold him your chance for \$15,000?—A. Yes, sir.

Q. On the Reading and Roseburgh route?—A. That was not included.

Q. You kept your bid on that route?—A. I sold that, conditionally, to him. I bought him out, conditionally, on that route; I was to buy his stock at \$44,000, I think it was.

Q. Provided you got it?—A. Provided I got it and kept my bid.

Q. And he came in, and got the bid several thousand dollars below yours?—A. Several thousand dollars below me, and paid me nothing.

Q. All this was done without a combination between you and Barlow, all this time?—A. We never had a word on the subject.

Q. You were not operating together, and had no understanding of that kind?—A. No, sir; no understanding at all. I had no connection with him in any way, whatever, or with any man that was associated with him.

Q. Now, from your experience as mail-contractor, having been in such since 1858, I will ask you as to your judgment whether it would be a salutary amendment to the law, to prevent that kind of action between bidders, to provide that when the lowest bidder fails, the Postmaster-General may travel from bid to bid, and that at each bid, as he travels up the scale, he may offer it to anybody, whether he was the bidder or not; would not that have a tendency to cut off that kind of thing?—A. I would propose a different proposition from that; that would not be fair to the contractors.

Q. But, on this proposition as I have stated it, not saying anything about its fairness to contractors, would it be a fair thing to the Government?—A. It would not be such a proposition in so far as contracts were concerned, and so far as my own judgment is concerned it would not be a fair proposition.

Q. If the Postmaster-General had had the power, on the several bids between the bid of De Lacey at which he was granted the letting and your bid, to have successively, as the higher bidders failed, offered it to the whole world, do you think that under a law of that kind in existence you could have sold your bid for \$15,000 or 15 cents to Barlow?—A. I do not think I could, because it would have been substantially a new advertisement from the time a man failed.

Q. Not a new advertisement, but a new offering. Of course, if it was a new advertisement it would have taken time, and in the mean time there would be a temporary service.

—A. The reason why that would not operate well is this: On a large route like that, where it would cost \$40,000 or \$50,000 to buy stations—those stations have all to be built by the contractor—no man could do that on a temporary service.

Q. But I am not speaking of temporary service. I will just take your bid at \$123,400, which you sold for \$15,000. You had nothing, in fact, except an opinion about the Government being bound to you under the law. Now, then, if, when the Postmaster-General traveled up to the \$123,400, and said, "Governor Thompson, you may have the service for four years for that price, or the balance of the time," and you had refused to take it—
A. Which I would have done at that time—

Q. You had refused to take it; then, if he could have said to all the world, "Come in and take this, whether you bid or not, at that price," could he not have got a contract at that price?—A. No, sir; the bid would have gone to \$200,000 at that time. I will show you the reason why. This contract was thrown down by De Lacey at the commencement of the winter season. He could not get any feed for his stock, for the feed had to be hauled—there was none on the route—and that could not be done at that season of the year. You could not do anything until the next harvest came on, until the next July or August. It would cost a man \$30,000 or \$40,000 extra expense to have to buy the stock, and have to get the feed on the road, to have carried that service up to the next harvest. If a man could make his arrangements a long time in advance, according to the proposition contained in the bids, he could then afford to put the service down; but the bid at that time would have gone up to \$150,000 or \$175,000 at least.

Q. Mr. Barlow got the mail-contract at that time?—A. Yes, sir.

Q. At what price?—A. At one hundred and thirty-four thousand and some hundred dollars.

Q. Barlow had the stock and the stations?—A. Yes, sir; and the feed.

Q. Now, then, what was there under the law and the circumstances surrounding that case why it should not have gone to \$200,000?—A. Because Mr. Barlow believed that the Postmaster-General would stop the service, as he said he would, and send the mail around by steamer by San Francisco and Portland rather than pay such a price, and carry it that way until the next July.

Q. Suppose he should stop the service, what would have been the effect?—A. People would have had no mail.

Q. He has the power to stop the service under the law, has he not?—A. Certainly.

Q. In your opinion, what would be the effect of a provision which made it the duty of the Postmaster-General, when the lowest bidder fails, and is unable to enter upon the performance of the service, to re-advertise the route, and to at once stop the mail-service, letting the people do without the mails? I will ask you, if that was done, making it his duty to so act, if it would not turn the whole people of the Territories interested in those

routes into detectives, watching the mail-contractors, and not allowing these combinations to be formed; and, if they had lost their mails once, would not the effect be that they would not lose them any more?—A. In that case you could punish the people of the Territories for bad actions done here in Washington City, and in Brooklyn, N. Y., where De Lacey is said to live, and does live.

Q. Yes, sir; but would it not cause these bids to be bona fide, for the simple reason there would be no object in putting in those fictitious bids, or making these combinations?—A. My impression is that you cannot make the law effectual unless you make it a criminal offense for a man to put in straw-bids.

Q. But it is a criminal offense now?—A. But it is a dead letter on the statute-books.

Q. I will ask you, if that provision was incorporated in the law, whether it would not then become impossible for these parties to form these rings and enter into speculations, and would it not break up the very combination that we are now seeking to reach?—A. No, I think not.

Q. Why not?—A. Because there are men who reason this way, all the time: that, under the pressure that may be brought against the Postmaster-General to allow this re-advertising, the service will go up to something that will be profitable to them, for they have stock on the road.

Q. But you leave one element out of my case. I am speaking of a law which would take all discretion from the Postmaster-General. Whenever the lowest bidder took the service and entered upon it and failed, that would put it out of the power of the Postmaster-General to have a temporary service, and would stop the mail absolutely until another advertisement and another letting could be made.—A. That would stop straw-bidding.

Q. Could you suggest or think of any other provision that could stop it?—A. I think not.

By the CHAIRMAN:

Q. Don't you think it could be stopped if it was made a criminal offense?—A. It should be made such.

Q. If a man was put in the penitentiary who attempted to form a combination or a conspiracy for the purpose of defeating the aims and ends of the Government for an economical mail and general postal arrangement, that would stop it, would it not?—A. I think it would. That is what should be done.

By Mr. MILLER:

Q. You reside in Boise City?—A. Yes, sir.

Q. There are two mail-routes from Boise City to the railroad, are there not?—A. Yes, sir; one to Kelton and one to Winnemucca.

Q. Which of those routes has the most travel upon it?—A. The Kelton and Dalles route has the most through-travel. All the travel to Eastern Oregon and Washington Territory that goes from the railroad through goes from Kelton, but the travel to Silver City, which is a very extensive mining camp in Idaho, seventy miles south of Boise City, on the route to Winnemucca—

Q. I am not speaking about the way-travel, but the travel from the railroad. From Boise City, which route takes the most of it?—A. Kelton; all the eastern travel comes by way of Kelton.

Q. Would the people at Boise City, and the people above, at Walla-Walla and all those northern settlements, in your opinion, be willing to have the route from Boise City to Kelton abandoned?—A. No, sir; they would be unanimous in opposition to it.

Q. They could not be accommodated by the other route as well as they are now?—A. There is nothing that could be done for that section of the country that would be so damaging for the country as a discontinuance of the route from Kelton.

Q. A special agent of the Government has recommended the abandonment of that route from Kelton to Boise City, saying that it was not needed, in that the service could be all performed over the other route from Boise City to Winnemucca. That is not your opinion?—A. No, sir; and I think I have been over the route a great many more times than the special agent has.

Q. You think there would be a universal objection to it?—A. Yes, sir; it would be extremely damaging to the country to discontinue either route, but the Winnemucca route to Boise would be almost impassable in winter to carry a large mail, because it has to go over a high mountain in the vicinity of Silver City, where the snow is sometimes from five to twenty feet deep, and the combined mails could scarcely be got over that route at all in the winter season.

Q. There is no such objection to the Kelton route?—A. There is no such objection to the Kelton route.

By the CHAIRMAN:

Q. What is the difference in time coming east? What difference does it make? Both routes strike the railroad. Now, if you want to go east and go to Winnemucca instead of going to Kelton, how would that be?—A. It would make twenty-four hours difference.

Q. Then that is the advantage in the mail. The time is the advantage, besides the expense of traveling over that distance?—A. The greatest objection is this: that they are

pretty heavy mails over both routes. The mails for Eastern Oregon, Northern Idaho, and Eastern Washington go over the Kelton route. The San Francisco and California mails leave the railroad at Winnemucca. The eastern mails, in going and coming east, all intersect the railroad or leave the railroad at Kelton.

Q. Traveling east it is longer to go by Winnemucca, but traveling west it is nearer?—A. Yes, sir.

Q. Traveling east it is nearer to go to Kelton?—A. Yes, sir; but on the Winnemucca road there is a high mountain to cross. The snow is very deep there in the winter, and it is almost impossible to get the combined mail over the mountain, while on the Kelton road, there is no such objection. Besides that, there are settlements all along on the Kelton road. It is true there are no post-offices, because the stage-drivers have little way-bills along with them, and they carry all the mail. They distribute it as they go, and the consequence is that there are no post-offices there, but every few miles there are little settlements on the road.

By Mr. MILLER :

Q. On the Winnemucca route there are intermediate offices and some large settlements?—A. Yes, sir; I think there are no settlements from Silver City for about one hundred and thirty-five miles—from Silver City to Winnemucca. Silver City is the second place, however, in the Territory for business. That is seventy-five miles south of Boise City.

Q. Your opinion is that both routes are demanded for the people?—A. That is my opinion, and I think it is the unanimous opinion of the whole people of the country. If the postal agent there would travel over the country he would be better posted in regard to the matter than he is. The population is increasing pretty rapidly along the line of both routes.

By Mr. CANNON :

Q. I desire to make one other suggestion in regard to this matter of taking discretion from the Postmaster-General to put on temporary service. If that was done and then the lowest bidder took the contract and failed, and then the Postmaster-General was given the power to let anybody else have the contract at the same rate that the lowest bidder failed upon until he could re-advertise—I mean have that power, at the same rate and no more, until he could readvertise—would not that practically give mail facilities to the people?—A. O, yes.

Q. Wouldn't it break up straw-bidding, too?—A. Yes.

Q. That would work no particular hardship to the people?—A. No; so that they could get the mail-service.

Adjourned.

WASHINGTON, *March 30, 1876.*

FRANCIS C. TAYLOR sworn and examined.

By Mr. McMAHON :

Question. Where is your place of residence?—Answer. At Ben Ficklin, Tex.

Q. What is your business?—A. Principally staging, sir. Have also a farm and a small store.

Q. How long have you been in the business?—A. Since 1848.

Q. How long have you been in the business in Texas?—A. Since 1870; but not on my account since that time.

Q. In whose employ, then, were you?—A. From the 20th of March, 1870, to the 1st of July, 1871, I was in the employ of F. P. Sawyer and Ben F. Ficklin, and after that time I was employed for a year by S. W. Ficklin and F. P. Sawyer.

Q. That business closed about what time?—A. The first concern closed on the 30th of June, 1871, Ben Ficklin having died some time previously, and after that date S. W. Ficklin became a partner. On the 30th of June, 1872, S. W. Ficklin withdrew from the concern, and I have continued as a partner with Sawyer up to the time of his death.

Q. When did he die?—A. I understand he died on the 20th of last August. I became by agreement a partner with Sawyer and Slaughter W. Ficklin.

Q. In what capacity were you employed?—A. I was employed by Ben Ficklin and Sawyer as general superintendent and book-keeper on the Concho division of the stage-lines.

Q. Where were those lines?—A. From San Antonio to Eagle Pass; from San Antonio to Concho; from Concho to El Paso; from Fort Davis to Presidio del Norte, and from Concho to Sherman, Tex.

Q. That division, then, did not comprise all the mail-lines they had?—A. No, sir.

Q. Where were the headquarters of that division?—A. At Concho mail-station.

Q. What other division had they?—A. Well, at that time they were staging in the Indian Territory, and that line was managed mostly by Major Ficklin himself.

Q. He attended to it himself?—A. He and General Armstrong were the general managers. Armstrong was managing there as superintendent when I went first to Texas.

Q. That was General Frank Armstrong?—A. Yes, sir. I had nothing to do with that line, except the accounts were kept by me in the books of the firm.

Q. Was there ever a settlement of the accounts of the different divisions, or a general settlement of the partnership accounts?—A. The first settlement was after the death of Major Ficklin; the only parties being interested in that were Sawyer and Slaughter Ficklin, as executor of his brother's estate. That settlement was not had for some fifteen or sixteen months after the business was closed. It was made December 1, 1872.

Q. How were the accounts kept on your books between the different partners?—A. Each one was credited with any payments made on account of the business. As well as I now recollect there is on that set of books an account made out against the Post-Office Department for mail-service on the route, and after crediting the Department with collection-orders the balance, whatever it might be, was charged to Sawyer.

Q. Who collected this pay for carrying the mails?—A. Mr. Sawyer.

Q. Did he live here?—A. No, sir; he lived in Georgetown.

Q. Were all expenses of running the routes paid by drawing on Sawyer here?—A. On my division I drew for all the passenger-receipts. A good many of the lines were stage-lines, and the receipts from the passenger-travel were sometimes considerable. These passenger-receipts I drew myself, and above that, what was needed, I drew from Sawyer by drafts. That was the course throughout.

Q. Have you any idea what was about the amount of mail-pay received by the firm per annum?—A. I did know at one time, but it has been a long time since—

Q. What is your best recollection?—A. My recollection is that the amount paid to my division was about \$200,000 per annum. There was a long mail-route from Concho to Fort Smith, and the company only managed it as far as Sherman, and \$200,000 was the yearly pay, as well as I recollect.

Q. That firm was the first one you mentioned: the firm that received that amount?—A. Yes, sir.

Q. State what items of expense entered into the account at the time of that general settlement, and which were charged up against the firm.—A. The purchase of stock was one of the principal items. The accounts were kept on my division by crediting me with payments and charging all receipts. For instance, the expense on my division would be about \$100,000 a year, and I received \$50,000 passage-money. That would be charged up to the parties who received it, and they would be credited with the bills. For instance, a man in one of the villages on the line would receive \$1,000 passage-money, and his own account would amount to \$2,000. He would be charged with the passage-money and credited with his bill. These were paid by me generally with money I collected from passenger-receipts, and transportation of soldiers, which was a portion of the passenger-receipts. Whatever money I received I was charged with, and was credited with the payments. The balance necessary for the business I drew from Sawyer, and he was credited with the amount so drawn.

Q. Give us an idea of the items of account in that general settlement, including expenses on account of the mail-contracts, and all the items as far as you remember.—A. My recollection is that Sawyer's account amounted to about a million and a quarter of dollars, with which he was charged, and he was credited with the drafts that had been drawn on him and for purchases he had made at Concord. I think the bill for coaches, harness, &c., amounted to between \$90,000 and \$100,000, and then there was a good deal of money credited to Sawyer for expenses, attorneys' fees, &c.

Q. Credited to him for expenses?—A. I think it specified "expenses, attorneys' fees, &c."

Q. What was the amount of that account?—A. My recollection is—do you mean for attorneys' fees?

Mr. McMAHON. For attorneys' fees, and expenses generally.

The WITNESS. It was in the neighborhood of \$200,000, as I remember.

Q. How long a time was embraced in that account?—A. Three and a half years, about. I think they had commenced business in 1867, in a small way.

Q. They had commenced in 1867?—A. Yes, sir; in the latter part of 1867.

Q. You say in a small way. What was the character of the business at first?—A. The mail-line then was run only once a week from San Antonio to, El Paso, with a branch line from Clark, or some other point on the line, to Eagle Pass.

Q. Now, do you remember the charges made in this general expense-account which you say amounted to \$200,000 for three and a half years? What amount was put in as attorneys' fees?—A. I could not say exactly. Such amounts were put in at from one to ten thousand dollars.

Q. What amount was put down for other expenses?—A. I don't recollect now.

Q. Cannot you give a description of the items of the account?—A. No, sir. It was a very long account, made up of a great many different items. It was the first I saw there and there were no vouchers with it.

Q. Were there no receipts for the payments?—A. I don't recollect of any. There were none at all; it merely went on to state, "paid" so and so.

Q. Well, can you give us some of the names to whom payments were made?—A. I don't

recollect any names but Judge Pascal and a Mr. Hood, and I don't recollect Hood's other name.

Q. And these charges were made and no vouchers or receipts accompanied them?—A. Yes, sir.

Q. Did it say where they were paid?—A. No, sir; but I know Mr. Sawyer's residence, and if it was paid out to a person that I did not know, I supposed it was paid here for some purpose.

Q. Was there any conversation between Sawyer and the other partners in that settlement about what this money was paid for?—A. I don't remember that there was any. I don't think that there was. I got to Concho in September, 1870, and Ben Ficklin reached there about a month later; and when he came there I asked him if he had seen Sawyer's account. He told me that he had seen it. I remarked that it was badly made out and hard to understand, and that there were no vouchers. He said, "It makes no difference if you can understand the account. Sawyer was a bad hand to make out accounts. Never mind the vouchers, if you understand it. Just enter the account to his credit." After Ben Ficklin's death—(I never saw Ben Ficklin and Sawyer together)—after Ben Ficklin's death Slaughter Ficklin came there and looked over the books and saw that Sawyer's account was a large one, and he asked for the vouchers. I told him there were none; that none had been rendered; that I had his brother's orders to put it on the books without vouchers. I don't remember of hearing any conversation between Slaughter Ficklin and Sawyer upon the subject.

Q. Was this account of Sawyer for expenses carried on the books in detail?—A. Yes, sir.

Q. That is, the itemized account for expenses, attorney's fees, &c.?—A. Yes, sir. I think all were entered in detail.

Q. Where are those books now?—A. I delivered them to Sawyer himself in Georgetown.

Q. But after his death who got them?—A. The administratrix of the estate, who was his wife.

Q. She is living there yet?—A. Yes, sir.

Q. Do you know whether or not Pascal has the books? He was attorney, was he not?—A. I don't know; my impression is that Mrs. Sawyer has the books.

Q. Did you have any conversation, or hear any, with Sawyer in regard to that account?—

A. I don't remember that I did, in regard to that special account.

Q. Now, that business terminated when you went into partnership with Sawyer?—A. No, sir; not then. I continued as the agent there for Slaughter Ficklin and Sawyer.

Q. When was the settlement between Slaughter Ficklin and Sawyer?

The WITNESS. For their partnership accounts?

Mr. McMAHON. Yes.

A. I was not a general partner, but had an interest in the Concho division only, which division was under my control. Some six months after the business closed a statement was made from my books. Ficklin was at Concho and examined the books for himself, and this statement was made out showing the interest of each partner in the concern, which was satisfactory to him, and from which, I believe, that settlement was made.

Q. Upon that statement they settled afterward?—A. Yes, sir; I think so; in the Concho division. I had nothing to do with the other divisions.

Q. How was that account kept?—A. The accounts were kept pretty much the same, but the items of expense, such as I mentioned just now, were not put upon those books at all. That I heard him talk about.

Q. What amount of those expenses were not put upon the books?—A. All the parties interested, I think, were in Austin, Texas, having a sort of general settlement, in November, 1872. I had been engaged for some time in trying to finish up the business between Ben Ficklin and Sawyer for the administrator, and Sawyer came on there during the time. Slaughter Ficklin had been there all the time. Sawyer brought with him his account for some \$30,000 or \$40,000 paid Abbott for coaches, for which he took credit, and which was divided between the different divisions. There were four divisions of staging, and all the parties were there. Sawyer had accounts against my division, and, I think, against all the others. After having various accounts put on the books of the several divisions, Sawyer said, "Here I have an account," amounting to considerable, as well as I now remember, from \$50,000 to \$60,000, and he said, "All the divisions will have to pay their proportion of this." It was a memorandum showing that amount.

Q. What time was that?—A. In November, 1872.

Q. I understood you to say, that the first settlement between Sawyer and Ficklin was in December, 1872?—A. Yes, sir; about the first of December, 1872, I think. That was the settlement between Ben Ficklin's executor and Sawyer. A good deal of the business of that settlement had been made at Austin in November, but no regular settlement was made then. It was just a meeting to adjust and enter up outstanding accounts between those parties, and at the same time other accounts were brought in against the different companies. There were entries made upon the books of Slaughter Ficklin and Sawyer, in which I had obtained an interest as I stated. Although I had set out to do business for them, I afterward accepted an interest. All the other parties interested were in the room when the accounts of Sawyer were presented.

Q. Give the names of the other partners.—A. Slaughter W. Ficklin, F. K. Wright, Samuel T. Scott, and myself. We were interested in different divisions. Slaughter Ficklin was interested in all of them; Scott in one, Wright in another, and I in a third, and there was also one division in which nobody was interested but Ficklin and Sawyer.

Q. Give us a little more definitely the character of that November settlement.—A. The accounts were being adjusted and got on the books between the different firms, and the different amounts were being entered to each. There was no actual settlement at that time at all between any of the firms; but Sawyer lived in Georgetown, and so we didn't get to see him often. We wanted to straighten up outstanding business as far practicable. He came there to settle the first firm, Ben Ficklin and Sawyer, but, at the time he did that, he had himself credited with various amounts due to him from the later firms. From Austin we went to San Antonio, and there the business of the first firm was settled.

Q. That settlement at San Antonio was between Sawyer and Slaughter Ficklin, as the representative of his brother's estate?—A. Yes, sir; but at the same time I know Sawyer took credits upon my books for various things; and I know, also, that credits were entered upon the books of all the concerns.

Q. This November settlement was the making up or charging up of all the different accounts?—A. Yes, sir.

Q. And the \$50,000 or \$60,000 that was there brought in without vouchers, and which had not previously been entered upon the books, is a separate and distinct item from the \$200,000 that you said had previously been placed upon the books?—A. Yes, sir; that amount of \$200,000 was on a settlement between Ben Ficklin and Sawyer. This other amount of \$50,000 or \$60,000, I forget which, was for the year from July, 1871, to July, 1872, and was to be divided among the different firms then in existence; and as Sawyer said, when it was presented, "Here is an account of money that I have expended in Washington, that must be divided between the different companies." I don't think Wright objected. I think Scott said a little, and Slaughter Ficklin said considerable, and intimated that such blackmailing operations should not be paid, or something of that kind.

Q. What was said in that connection about the investigation that had just taken place in Washington by a congressional committee, in which you remember McKibben and others made a fight for his mail-routes?—A. I don't remember that anything was said about it.

Q. This expenditure was from July, 1871, to July, 1872. Do you remember the dates or items?—A. No, sir.

Q. It just ran for that whole year?—A. Yes, sir.

Q. Did you settle according to the fiscal year of the Government?—A. Yes, sir; from July 1 to July 1; that is, we considered that the year; but no settlements were made annually between the firms.

By the CHAIRMAN:

Q. Sawyer stated to the partners that he expended that money in Washington City?—A. Yes, sir.

By Mr. McMAHON:

Q. Did he state what it was paid for?—A. No, sir.

Q. How did it happen to be called a blackmailing operation?—A. Well, it was put down as "attorneys' fees;" that is, there were two items of \$10,000 each, or one of \$20,000, and Ficklin asked Sawyer if he had the vouchers for them, and Sawyer stated that he had not. Ficklin did not seem to be satisfied with it, and complained considerably about the transaction.

Q. To whom were those ten thousand dollar items, or the one item of \$20,000 paid?—A. I don't remember any name at all; the paper was not preserved by me. In fact, it was never given to me.

By the CHAIRMAN:

Q. There were no names on the paper indicating to whom it had been paid?—A. No, sir; I am satisfied of that. I remember that there were two items of \$10,000, or one of \$20,000, I am not positive which, and which Sawyer stated or admitted that he had paid to the same party.

Q. That was in this last year's settlement, was it?—A. Yes, sir; during the time that Slaughter, Ficklin, and Sawyer, and the other parties were interested, the amount was to be divided between the different companies, and credited to Sawyer.

By Mr. McMAHON:

Q. There was no settlement covering the time from July, 1872?—A. No, sir; there was no settlement since 1872.

Q. How long has Sawyer been dead?—A. He died last August, I think.

Q. You had interest in what routes?—A. From 1872 to 1874, in the Concho division, which was then what was left of the Sherman division.

Q. When did that interest cease?—A. It has not ceased yet; the business is going on yet, but we have had no settlement.

Q. When did your interest cease in the active running of the routes?—A. The routes all

expired on the 30th of June of last year, but we continued running some time afterward. Where I could sell the stock; I sold out and took the route off. One route I continued running until December last.

Q. Did Sawyer after the closing of the business render any more items of account?—A. Yes, sir; and I think I have it now with me in my valise at the hotel.

Q. When was that?—A. It was last year some time.

Q. What did it include?—A. Only one item: "Amount expended, seventy-three thousand and some odd hundred dollars; your proportion \$34,000."

Q. Where was that amount expended?—A. I don't remember.

Q. What period does that cover?—A. From the 1st day of July, 1872, up to the date of the paper, which was in 1875; I think I have it with me here, but I don't just now recollect the date.

By Mr. CANNON:

Q. What was it for?—A. Seventy-three thousand dollars and something.

By Mr. McMAHON:

Q. Did that include the purchase of coaches, harness, stock, &c.?—A. No, sir.

Q. It was, in your judgment, money expended about Washington City?—A. Yes, sir; I had no doubt about it.

Q. Were any names given?—A. No, sir; just the one item, as I have stated. I think my proportion was put down at \$34,000.

Q. Did he profess to give you any detailed statement of the amounts paid?—A. He did not see me at all. I wrote him that I could not credit him with that amount. Mr. Scott and myself being similarly situated, conferred together, and I told him what course I took in the matter.

Q. What course did he take?—A. He said he would not credit it unless he knew what it was for.

Q. Was Sawyer represented to be a man of wealth or means?—A. I think he took the benefit of the bankrupt law the first year that he came here.

Q. After that what was regarded to be his condition financially?—A. He was considered to be wealthy.

Q. Was he really wealthy? What was your impression about it?—A. My impression was that on July 1, 1872, he must have been worth, clear of all liabilities, one hundred and twenty-five or one hundred and fifty thousand dollars; that is, I mean, clear of all liabilities from the business in Texas; of course I do not know what he had elsewhere.

Q. Have you had any conference with the executors of the estate since his decease?—A. Yes, sir.

Q. What is their report concerning it?—A. They report that they have nothing at all.

Q. That the estate is insolvent?—A. Yes, sir; I have a portion of the assets in my hands now; that is, a portion of the partnership property.

Q. That is money realized from stock sales?—A. No, sir; I have no money; I have not sold enough to pay the debts; but I have some property still on hand unsold.

Q. Was no explanation given by the executors or attorney why it was insolvent?—A. No, sir; Mrs. Sawyer seems to be entirely in the dark about it.

Q. How about the attorney who investigated the books?—A. Well, Judge Paschal seems to be as much in the dark as I am. I presume it would be better to ask him what he thought of it. I have always been on good terms with him.

Q. You are satisfied that the estate is really insolvent?—A. I have no doubt about it.

Q. Have you any idea how much money was received by Sawyer from the Government for carrying the mails on these different routes?—A. I could tell within a few dollars on my own division, and then I would have to tell what I had heard in reference to others. I think his mail-pay was once \$150,000 a quarter, or \$500,000 a year; that is what I understood it to be.

Q. He had received nearly \$2,000,000 from the Government on account of these different firms in four years?—A. No, sir; for when he died I understood it was only \$85,000 a quarter; some of the routes had been discontinued, and some had been shortened.

Q. Were you at Washington at all during the investigation in 1872?—A. No, sir.

Q. You heard of it?—A. Yes, sir; but I never got a report of it.

Q. You cannot remember any names on that account that were put on the books; (that \$200,000 account?—A. No, sir.

Q. Do you remember any names mentioned in that \$50,000 or \$60,000 account?—A. I thought that was the one you alluded to as being put on the books; that was divided between four different divisions; it was not put down in items. The other account, the \$200,000 account, was put down in items between Ben. Ficklin and Sawyer. I had no doubt of that account; I simply put it down on the books as directed by Mr. Ficklin. There were one or two other accounts rendered, and I think the whole amount was about \$200,000 charged up in that way; this was the amount credited to Sawyer on the first settlement between Ben. Ficklin and Sawyer.

Q. When this settlement was made, everything went on the books as you squared them

up in December, 1872?—A. I think so; everything connected with the settlement; it was a long and very difficult matter, the settlement of these accounts between Ben. Ficklin and Sawyer.

Q. On account of the loose way in which those accounts had been kept?—A. Yes, sir; a very loose way. Sawyer had nothing to do with the business out there, and Ficklin had a very loose way of keeping the accounts; and when I went there in March, 1870, (they had been doing business since October, 1867,) there were no books kept at all. The accounts were kept in pigeon-holes, and I made out the books from them, and there were a great many errors that I had to correct afterward. A book-keeper would think it strange, if he did not understand the circumstances under which I had to work, if he inspected those books.

Q. This item of \$20,000, or these two items of \$10,000, appear in this last settlement in the account in which \$60,000 is charged for expenses and divided between the different companies?—A. Yes, sir; it was a portion of that account.

Q. Do you remember the largest item that appeared in that account for \$200,000?—A. I do not believe there was any larger item than \$10,000 in that account.

Q. Was Judge Paschal the regular attorney for Mr. Sawyer?—A. Yes, sir; he was Mr. Sawyer's lawyer.

Q. Was he the person to whom it was claimed this money had been paid?—A. No, sir.

Q. What amount of fees were credited to Sawyer on account of payments made to Judge Paschal?—A. I think there were several small amounts there; but Judge Paschal being Sawyer's lawyer, I had nothing to do with that, except when this transaction between the old company came up for settlement, when I entered these items upon the books.

Q. The amount Judge Paschal received was but a small amount in comparison with the whole amount charged for attorneys' fees?—A. I think so. I think perhaps in the three years he got, probably, \$5,000 or \$10,000 a year during the whole time.

Q. He had general supervision of all his business?—A. Yes, sir; I think so.

Q. Do you remember of any litigation in the courts anywhere that the company was engaged in?—A. I heard, I may say I know, of it. I saw settlement of different accounts that were settled in that way.

Q. What law-suits were they?—A. They were two or three damage cases in Kansas and Missouri, that were paid to a firm of lawyers there. I was not familiar with the concern. There were also some payments to a law firm, as I understand it—McComas & Co.

Q. Where did they live?—A. Somewhere in Kansas, I think.

Q. Who settled those fees with them?—A. Sawyer.

Q. Were they included in these bills?—A. They were entered at different times in a subsequent settlement.

Q. They were not included in this big amount?—A. No, sir.

Q. Judge Paschal's were included in that sum of \$200,000?—A. I think his name was in the account.

Q. Did the firm have any other law-suits than those?—A. They had a good many small suits. Ben. Ficklin was disposed to litigation.

Q. He had suits in Texas?—A. Yes, sir; he had some suits at San Antonio.

Q. They had been settled by you, had they?—A. Yes, sir; I had charge of everything in my division.

Q. Do you remember any law-suits, except those damage cases, the fees for which appeared in this settlement for two hundred thousand or sixty thousand dollars?—A. No, sir; I do not think Sawyer paid any fees except those that year. He paid some lady about there who had sued him. I think he met her and her husband in Texas, and compromised the suit by paying her \$3,000.

Q. Is not this really your recollection: that the two hundred thousand paid at one time, and the fifty or sixty thousand dollars reported to have been paid out at another time, (as expended in Washington,) and the \$73,000 at another time, were in each case sums of money expended in the city of Washington?

The WITNESS. Do you ask me for my recollection or my opinion?

Mr. MCMAHON. Both.—A. I cannot have any recollection about it, because I really never knew; I had my opinion, however.

Q. From your position as a book-keeper, and your general knowledge of the business, from the declaration of the partners and the settlement of the partnership accounts, state whether in your judgment or opinion the amounts of two hundred thousand, fifty or sixty thousand, and seventy-three thousand dollars, reported by Mr. Sawyer as expended, were reported and understood to be expended about Washington City alone?

Mr. CANNON. The question, so far as it asks for the opinion of the witness, objected to; no objection to the statement of his recollection. [The chairman overruled the objection.]

Mr. MCMAHON. And if you have any knowledge from conversation had with the parties, give that also.

The WITNESS. I have never had any doubt that a great deal of that money, if expended by Sawyer at all, was expended in Washington City. I have no evidence that he spent it. In this conversation between the partners, as I said just now, Ficklin objected to such payments, because he did not believe in the expending of any money about Washington except for legitimate purposes.

By Mr. CANNON :

Q. You have no knowledge whether these sums of \$200,000, or fifty or sixty thousand dollars, or the sum of \$73,000, whether any or all of these were expended in Washington?—A. No, sir. I don't know that it was expended at all, except from Sawyer's statement; he said that it was expended, and claimed a credit for that amount.

Q. You do not recollect to whom he gave it, or to whom he said he gave it?—A. No, sir.

Q. Nor do you know whether it was expended at all or not?—A. No, sir; except as he stated, and it was entered upon the books of Ben. Ficklin and Sawyer.

Q. I am asking you now what Sawyer told you himself.—A. He told me that a portion of that \$50,000 was expended in the Post-Office Department, paid to one man; and I don't know that he said it was paid directly to him, but that he had gotten it.

Q. Of which \$50,000?—A. Of the second item. There was a settlement before, in which \$200,000 was charged up to various expenses, and this refers to the second company, after the death of Ben. Ficklin.

Q. That was the time of the settlement by the different companies alluded to in your statement, the settlement of the amount presented by Sawyer?—A. Yes, sir. He did not tell me the name of the person to whom it was paid at that time, but it was entered to his credit. It was after that he told me of the payment in Washington.

Q. What time was that?—A. In August, 1874.

Q. You had settled prior to that statement?—A. Yes, sir; the accounts were settled in March, 1870.

Q. And this first item of \$200,000 expended was entered upon the books of Ben. Ficklin and Sawyer, by the direction of Ficklin, and without vouchers?—A. Yes, sir.

Q. And the next item of expenses was in July, 1871, or July, 1872, and amounted to what sum?—A. It amounted to either fifty or sixty thousand dollars; I do not remember the exact amount.

Q. And that was agreed to be settled in November, 1872, by the different companies interested?—A. Yes, sir; that was the Austin settlement.

Q. It was allowed and passed upon the books to his credit, and accepted by every one of the partners?—A. Yes, sir.

Q. Now, in March, 1874, after that settlement was made, you say that Sawyer stated that he paid a portion of that—A. It was not in March; it was in August or September of that year.

Q. Well, then, in August or September, 1874, in a casual conversation with Sawyer, he said that a portion of that \$50,000 settled in 1872 was paid to somebody in the Post-Office Department?—A. Yes, sir.

Q. What portion did he say was paid into the Post-Office Department?—A. Twenty thousand dollars.

Q. And didn't mention the name of the person to whom it had been paid?—A. Yes, sir; he did then. He didn't say that he had paid it directly to him, but he said that Mr. Routt had got the money.

Q. He said that twenty thousand out of this fifty thousand went to him?—A. Yes, sir.

Q. Who was by at that time?—A. No one. I was riding with him in his buggy.

Q. How did you happen to be talking about it?—A. I came on here in August or the first of September of that year, to see Sawyer about his failure to meet drafts which I had drawn upon him, and I was asking him for the reason, and he said that he had been spending so much money here for black-mailing, as he called it, that he had been ground down for money all the time. I told him that such things ought not to be paid, and that it must be stopped; that we had better lose our contracts altogether than submit to any such impositions; that, as far as I was concerned, I could not stand it; that it would ruin me, at least. He then went on to say how that \$20,000 had been paid. I don't remember that he or myself alluded to that item of \$20,000 at first.

Q. You had no knowledge before of that payment?—A. I had entered it upon the books, but there was no name connected with it to show to whom it had been paid at that time.

Q. Had you any knowledge of its having been paid to Mr. Routt before that time?—A. No, sir. It was entered up as attorneys' fees, expenses, &c.

Q. Did it mention Colonel Routt or any other person as the party who received it?—A. No, sir; there was no name at all.

Q. Give the substance or the words of his statement as near as you can.—A. I don't know that I could give it any more particularly than I have. I staid a week with him, trying to make arrangement to have drafts met for the business out there. He had allowed about one-half of the drafts to go to protest when I would draw on him for money, and I came to see myself what was the matter, as I could not stand it any longer in that way. He said that they had black-mailed him here, and drawn his money from him; that he had been compelled to pay, in order to keep his business. These items, then, of \$20,000, or the two items of \$10,000, making twenty thousand in all, were mentioned. From the fact of their being entered upon the books as "attorneys' fees" I believed that it was paid to one person, and said there was no sense in paying out such amounts as that. I called attention to the fact that possibly he had given it to the Postmaster-General. He said, "No; I never gave Cres-

well a cent, and I don't believe he has got a cent of any money I have paid here." Then as near as I can recall it, he said Colonel Routt got it. I cannot recollect whether he said Routt or Colonel Routt.

Q. Try to recall whether he told you that he paid it to "Colonel Routt" or to "somebody else."—A. He did not say either.

Q. Then you could not gather from his conversation that he claimed to have paid it to some third or separate person, who purported to be getting it for Mr. Routt?—A. No, sir; he did not say that he did not pay it to him directly; my impression is that he said "Routt got it."

Q. And nobody was by at that time?—A. No, sir.

Q. You were in a buggy, riding together?—A. Yes, sir.

Q. Somewhere in this city?—A. Yes, sir; as well as I recall, it was between here and his residence, in Georgetown; it was either going to or returning from his residence; I don't remember which.

Q. Colonel Routt was Second Assistant Postmaster-General?—A. I don't recollect, but I think he was.

By the CHAIRMAN:

Q. How did you make that inquiry about the Postmaster-General?—A. The sum of \$20,000 was alluded to, and perhaps I intimated that I believed he had given it to the Postmaster-General. I asked how he came to be making such payments, and he said that the Postmaster-General never got a cent, directly or indirectly, from him in his life, and then he intimated that Routt had had it.

By Mr. CANNON:

Q. The exact phraseology of his language you can't recall?—A. No, sir.

Q. You had come on to Washington at that time to see what was the matter that Sawyer had not paid your drafts?—A. Yes, sir.

Q. They had gone to protest how long?—A. Ever since the panic of 1872; not all of them, but I suppose about one-half had gone to protest.

Q. About how much do you suppose went to protest?—A. I drew for about seven or eight thousand dollars a month, which would amount to the neighborhood of a hundred thousand dollars; at least forty or fifty thousand dollars had gone to protest.

Q. And you, being interested in the business, were uneasy?—A. Yes, sir.

Q. And you felt uneasy about not only the conduct of the business, but what was becoming of the money?—A. Yes, sir; I came here to try to get a settlement, or to get out of the business.

Q. You were uneasy and dissatisfied with the condition of the affairs?—A. Yes, sir.

Q. You let him know that you were uneasy and dissatisfied?—A. Yes, sir.

Q. And with these circumstances in your mind, you went back to mention that \$20,000 item, and in that way the conversation came up?—A. Yes, sir; I think that was the way of it.

Q. Sawyer could not have been worth much at that time, was he?—A. Subsequent events show that he was not.

Q. That was about a year before his death, was it not?—A. Yes, sir; I think it was about a year. I got here about the latter part of August or the 1st of September, and he died in the following year.

Q. Do you know whether Sawyer speculated outside of the mail-contracts?—A. Yes, sir; I know that he had some speculation in business outside; that amounted to dealing in some little patents, I think, and he had started some business for his sons, and had invested a considerable amount of money in it—some forty or perhaps fifty thousand dollars—and he had one of his sons in business here.

Q. They were in business here, were they?—A. I don't know whether the brewery is in Washington or Georgetown.

Q. He bought a brewery and was running that, did he?—A. Yes, sir.

Q. And probably invested either forty or fifty thousand dollars in it?—A. Not altogether in that, for some was in other things; but a great deal invested in the brewery, which was lost.

Q. You are satisfied that it was lost?—A. I judge that it was not profitable, from the result.

Q. Do you know that he gambled in Wall street, or stocks of any kind; have you any knowledge of that fact?—A. None at all.

Q. Did you have any conversation with him about the other expenses?—A. No, sir.

Q. He did not mention anybody else as receiving money from him?—A. I don't remember that he did.

Q. Neither to you at that time or any other time?—A. No, sir; but I always presumed that some of the money was expended in buying contracts; but whether it was expended in that way or not, of course I do not know. I always thought that a part was used in buying bids.

Q. Do you know of his bidding in opposition to Lockwood and McKibben?—A. I only

know from having seen the register of their bids, represented to be taken from the books of the department, Lockwood, McKibben, and Sawyer bid upon the same routes.

Q. What do you mean by "buying bids;" do you mean buying off other bidders, or contractors who have put in bids, so as to get them out of the way?—A. I never heard him say so, but that is what I did mean.

Q. I understood you to say that you were satisfied that he had bought bids.—A. I believe that part of the money was paid in that way.

Q. The attorneys' fees to Judge Paschal you think amounted to from five to ten thousand dollars a year?—A. I think that was about the amount. You remember that I said at the start that that matter between Ben. Ficklin and Sawyer I believed to be about \$200,000, but of course I don't remember the names of the parties; it has been considerable time since, some four or five years, but I think Judge Paschal's name appeared in it for that amount of money.

Q. What kind of a business man was Sawyer; was he a close, methodical business man, or was he a loose one?—A. He certainly was not a methodical man, and if he kept any books at all I have never been able to see them.

By the CHAIRMAN:

Q. Had he any clerk or private secretary here, that you know of?—A. Yes, sir.

By Mr. CANNON:

Q. Who was he?—A. C. G. Clark.

Q. When did he employ him?—A. I do not know; the first time I saw him was in November, 1872, in Texas, and the last was last summer—as being in his employ.

Q. Is he a Texas man?—A. No, sir; he is a New York man.

Q. Did he keep the things in ship-shape, the books, &c.?—A. I never saw Sawyer's books, and cannot say.

Q. I mean did he have charge of the partnership accounts?—A. No, sir; I had charge of the partnership accounts.

Q. I mean did he have charge of the partnership accounts at Washington, and did he keep them in shape?—A. I suppose he kept account for the mail-contracts, but no other.

Q. I speak of the mail-contracts particularly, and accounts of expenses.—A. When the first account was rendered, Clark was in his employ, and the one I have at the hotel is in Clark's handwriting; and for the last two years no accounts between Sawyer and myself came except in Clark's handwriting.

Q. I would like to know whether, from the time your interest commenced as a partner with Sawyer and Ficklin, or either of them—say July, 1871, or 1872, whichever it was—whether from that time to the present, or up to the time of Sawyer's death, you authorized the spending of this money for expenses that you spoke of his having paid here in Washington.—A. I never authorized the expenditure of any money, either at Washington or anywhere else, except for proper and legitimate purposes. I was not a controlling partner; Sawyer was. I was a partner from July 1, 1871. I commenced that year as superintendent, for a salary alone; three months later I made a different contract with him, by which I was to be allowed the same salary that I was then getting, or to have a portion of the profits, or have an interest in the profits and take less salary. The reason, I believe, why the option was given to me was because I was dissatisfied. I was doing a great deal of work, and informed them that I did not intend to stay.

Q. From the time of your interest did you authorize the payment for the purchase of bids or for attorneys' fees in Washington, or any other expenses?—A. I never did, sir; there was nothing of the sort done by me.

Q. Did you assent to the settlement made in 1872, or a *quasi* settlement, when it was agreed that these \$60,000 should be distributed between the different companies?—A. No, sir; I owned only one thirty-second interest in the whole concern, and it would have seemed presumptuous in me to have objected, so I said nothing.

Q. Then as to whether Sawyer in reality paid this money, or whether he used money in speculations for his own private purposes, you have no knowledge?—A. No, sir; I have no knowledge of it; I never saw it paid, I never paid a dollar of it. I never saw a dollar of it being paid anybody else, and I never saw any receipts for it; I never heard any person admit they had received a dollar of it, and have no other evidence but his own statement, written or verbal.

By Mr. MCMAHON:

Q. I would like to obtain the names of the residences of these different parties. Where does Scott live?—A. He resides in Austin, Texas.

Q. And the other partners. Where does Ficklin live?—A. In Charlottesville, Va.

Q. Where do you reside?—A. In Ben Ficklin, Texas.

Q. Where did you reside before you went to Texas?—A. I had resided in Rome, Ga., for some time, and afterward in Greensborough, Ala.

By Mr. CANNON:

Q. This conversation of Sawyer's about the \$20,000, in 1874; did you report that to anybody?—A. I don't know that I did. I don't recollect. I would like to make a statement

here in reference to this matter. At the time that I came here Sawyer had let a great many of the drafts go to protest, some \$50,000 a year, and I was doing all that I could to prevent any more protests, and also to get money to pay the expenses with. I was bearing on him just as heavily as I possibly could on a man that owned three-fourths of the concern, and he was giving his excuses for having been obliged to use the money for black-mailing purposes, as he stated; and incidentally—though I don't remember whether he or I first alluded to it—the \$20,000 was mentioned, and I was very much provoked about the state of the business. I was mad, and said, "I expect you gave that to the Postmaster-General;" but he said, "No; the Postmaster-General had never received a cent of the money," or something of that kind, but that Routt got it.

By Mr. MILLER:

Q. Was this conversation with Sawyer, in the buggy, after you had received the statement of the \$73,000, expenditure?—A. No, sir. I did not get that statement until 1875.

Q. You had the statements of \$200,000, and the fifty or sixty thousand expended in this way?—A. Yes, sir.

Q. You did not ask him in reference to any other items?—A. No, sir.

Q. Nor what became of the rest of the money?—A. No, sir.

By Mr. McMAHON:

Q. Through what hands did you send your drafts?—A. I had an arrangement to deposit the drafts in Texas, and they were paid here. The Texas banks would cash the drafts.

Q. Were they payable in Washington?—A. No, sir. He accepted the drafts; he said they would pay them most anywhere, as they all knew him, and he would write across the face of the drafts "accepted, payable at," so and so, and I think most of them were cashed by Jay Cooke & Co. Others, I think, were paid by Lewis Johnson & Co., and some probably, though I am not positive—but he had some business with the national bank near the post-office, on Seventh street. I don't know the name of the bank.

WASHINGTON, D. C., March 31, 1876.

CHARLES E. CLARK sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In Georgetown, District of Columbia.

Q. Have you been engaged heretofore in business with Mr. Sawyer, now deceased, who was a mail-contractor?—A. Only as his book-keeper.

Q. How long were you in his employ?—A. I was in his employ from the 20th of May, 1872, to the 1st of July, 1875.

Q. In what capacity were you employed by him especially during that time?—A. My business was to go out and settle up with the agents in Texas and Arkansas, wherever they were, and to keep his books at home, when he had anything for me to do at home, which was not very often. My principal business was to go and settle up with the agents and examine their accounts.

Q. You kept the books for him at home in Georgetown?—A. Yes, sir.

Q. Where are those books?—A. I do not know. I presume they are at home, at his house.

Q. Please state to the committee how you kept those books and what they consisted of.—A. They consisted principally of accounts of the different divisions in which he was interested. The division would be credited with the mail-pay and charged with expenses. That would be about what was done with those books.

Q. Do you mean by expenses, the expenses that Mr. Sawyer was at himself, and the other members of the firm?—A. No, sir. When I speak of expenses I mean to say that they are charged with the post-office collections, orders, &c., which come in.

Q. Who was charged with the post-office collections?—A. Mr. Sawyer, in the first place, is charged with the whole mail-pay coming from the routes, whatever the amounts are. Then he is credited with the collections, and the division is charged or credited, as the case might be.

Q. Can you state to the committee what the amount of mail-pay was per month or per year?—A. I could not without the books. I could probably tell with them; it varied, of course, as the routes were cut down. When I took charge of the books I think there was something in the vicinity of \$400,000 coming to him on the post-office routes.

Q. Per annum?—A. Yes, sir. Then it became reduced after that considerably. As the railroads came in and took them off from him, of course the mail-pay was reduced.

Q. Please give to the committee a general statement of the items that entered into the account as you kept it, and then the items as charged up. Give a full history of the manner in which you kept the books and the kind of expenses that were noted.—A. The expenses were made up of various items. I do not know that I could narrate what they were

at all, because they were given to me in amounts, frequently without it being stated for what they were. For instance, there is one item which I just now call to mind. I think there was an item charged some time toward the conclusion of the term of his last contract, of the sum of \$72,000 or \$73,000 charged as attorneys' fees. What they were I do not know anything at all about. It was charged according to his dictation and direction.

Q. What length of time did that go over?—A. That covered, I think, the period of the last letting. Three years, probably, from 1872 to 1875.

Mr. McMAHON. That is from July, 1872, to July, 1875?

A. Yes, sir; I think that was the period so covered.

Q. Were there any other attorneys' fees?—A. Not that I am aware of. I don't remember any at present.

Q. Do you know who were his attorneys?—A. I do not know. I do not know anything at all about it. He never communicated that matter to me. He gave me a list one day of certain amounts, and said, "Aggregate that and charge it to expense account. Charge the different divisions with their proportion of it."

Q. There were four divisions, were there not?—A. There were then only three divisions during that time. It was to be divided in proportion to their proportion of mail-pay. Those were my instructions, and I made it up that way, and it will so appear in the books.

Q. Was there a settlement had with the other divisions or with the partners on that basis?—A. There never has been yet that I know of. I don't think there has been any settlement made upon that basis, or any other, that I know of.

Q. You were never present at any settlement or conversation between the partners?—A. No, sir; I never was.

Q. Is there any other item that you call to mind now?—A. No, sir; I cannot call any other to mind just now. I don't think there is any, except there might be some little bill of incidental expense, such as his traveling charges, post-office account, and things of that kind.

Q. What do you mean by "post-office account"?—A. Postage-stamps, telegrams, and things of that kind. They were merely ordinary expenses, and would not amount to a great deal.

By the CHAIRMAN:

Q. Was it the habit when he charged up, for instance, the purchase of coaches or supplies, or stock, or anything of that kind, to specify in those cases what it was that money was spent for?—A. To tell the honest truth about that, there never was any charge of that kind made while I had charge of the books. The stock was pretty much on hand prior to my taking charge of the concern, and I do not remember now of any charge having been made during my administration, for the purchase of stock.

Q. They would buy the stock out there and draw on him, I suppose?—A. Yes; it would appear upon their books out there.

Q. This account which you kept here was the account of the drafts drawn on him by the different divisions, and those other expenses which you allude to?—A. Yes, sir; that was pretty much all that there was on the books that I kept.

Q. That item of \$73,000 was most of the account of expenses, was it not?—A. O, yes; by far; by long odds.

Q. You say you do not know anything about what that was used for?—A. I do not.

Q. He made no other statement to you except that it was attorneys' fees?—A. Except that it was attorneys' fees; it was about that amount. I think it was over \$70,000—probably \$72,000 or \$73,000.

Q. Were your relations with Mr. Sawyer very confidential?—A. As much so as they were with anybody. He was a man who was rather reticent; not very communicative to anybody about his business.

Q. Did he communicate with you about his business freely?—A. No, sir; not as freely as I thought he ought to have done.

Q. Why do you make that remark?—A. Because there are a great many things whereby his estate could have been better settled if he had been communicative to me. I had no other object in making that statement.

Q. Do you know of Mr. Sawyer's making any payments?—A. I know that there were drafts drawn on him frequently, and they have been honored. They were drafts from the different divisions.

Q. Do you know of any drafts drawn on him from here by individuals?—A. No; I cannot say that I do. He gave checks to parties, but I do not know who they were. They may have been here and they may have been elsewhere.

Q. What bank did he give the checks on?—A. He kept his bank account in the first place at the First National Bank, and after that exploded he kept his account, I think, at either the Metropolitan or the Second National, and I forget which; however, he kept an account with both of those banks, but at different times. The Second National Bank, I think, was the last bank that he kept his account in.

Q. You do not remember the parties to whom he gave those checks?—A. I do not. I cannot call them to mind.

Q. Do you know of his paying money?—A. I do not know of his paying money to any one; of course he paid money to me, but it was for my salary, and that was all. He paid money because he gave out a great many checks.

Q. Have you any remembrance of the amount of those checks?—A. None at all.

Q. Your attention was not directed to any check in particular?—A. Not at all.

Q. Nothing occurred in regard to any of those checks or payments that arrested your attention in particular in any way?—A. No, sir. In examining the checks I merely examined their amount by his bank-book, to see that they were correct, without regard to whom they were given to.

By Mr. McMAHON :

Q. Have you been assisting in settling up his estate since his death?—A. Yes, sir; for a short time. All that I did was to go out for about two months. I was gone between six weeks and two months in Arkansas, at the Hot Springs.

Q. Whom did you see there, or go to see?—A. The agents were John Bartholomew and A. R. Livingston. They had charge of the divisions at the time; one being at one end of the route, and the other at the other.

Q. What was your object in going to see them?—A. To make settlement with them; to examine their work and see that it was correct.

Q. Did you succeed in making the settlement?—A. I fixed upon a basis of settlement, but I did not make the settlement.

Q. There has been no final settlement?—A. There may have been since I left there. I left there in October. I went out the early part of September and came back the latter part of October.

Q. As the book-keeper of Mr. Sawyer, please give us an account of what different books you kept.—A. I only kept two small books; one was a journal and the other a ledger—you may call it a journal and day-book and ledger.

Q. Did you keep any cash-book?—A. No, sir.

Q. With what different parties did you keep accounts in those books?—A. I kept accounts with F. C. Taylor's division, S. T. Scott & Co., the Sherman division, and a portion of the time I kept an account with F. K. Wright's division, but it was only for a short time.

Q. There was also a bank-book that Mr. Sawyer had himself?—A. Yes, sir.

Q. Have you seen that since his death?—A. Yes, sir.

Q. Have you seen the different bank-books that he kept, since his death?—A. Yes, sir; I have seen two or three of them.

Q. Were those books that you took charge of fresh books, opened by you, or did you continue the old books?—A. I continued the old books.

Q. As to this \$73,000 which you entered up to the general expense account, did you find other charges or credits on that book, of a similar character, which were entered there previous to your time? I mean for attorneys' fees.—A. Yes, sir.

Q. What amounts were they?—A. I do not remember.

Q. Were they large or small?—A. They were quite large.

Q. Larger than yours, were they not?—A. I think so.

Q. Don't you remember that at one settlement it footed up \$200,000?—A. I don't remember that it did; it might have done so.

Q. But they were quite large, and larger than the amount you had?—A. Yes, sir.

Q. You have seen those books since Mr. Sawyer's death?—A. I have seen them. I have made some entries in them since.

Q. Were any names mentioned in this account, on those books, as persons who received money from Mr. Sawyer out of what you might call the attorney account?—A. No, sir; there was nothing to show that. I never was told who the parties were.

Q. Did he ever have an account with Judge Paschal that was separate from this attorneys' account?—A. Yes, sir; I think he had an account on the book. I am not positive as to whether that was so or not.

Q. For example, he would give a check to Judge Paschal to-day for \$1,000. How would that get upon your books?—A. If he told me anything about it I should put it on the books, as a matter of course; but he might not tell me anything about it. He very frequently did not. He paid out money that he did not tell me anything about; he sometimes would not tell me anything about it for two or three months after he paid it.

Q. When the bank balance would be shown, you would of course discover that his cash was short?—A. There was no cash account kept on my books. I never knew how his cash account stood. I never had anything to do with it. I spoke to him about it on one occasion, and he said, Well, I will keep that account myself. I only entered what he told me.

Q. Did you ever pay out anything yourself?—A. No, sir.

Q. Were you authorized to give checks?—A. No, sir.

Q. Had you any other employment or business besides acting as his book-keeper?—A. Not during the time I was with him, excepting the latter part of the time, when he had not much for me to do for him, and he sent me to work for his son at the Arlington Brewery here, to keep his books; but I was liable to be called upon at any moment to go away to attend to his business.

Q. Were you in his employ at the time the investigation was pending here before the congressional committee in 1872?—A. I don't know that. I entered his employ on the 20th of May, 1872. I do not know what time the investigation took place. I think it was over.

Q. Who had been his clerk prior to his employment of you?—A. I think he had a man named W. W. Finney.

Q. Do you know where he is now?—A. No, sir; I think he is somewhere in Virginia.

Q. Do you know why Mr. Finney went away from him?—A. I do not know.

Q. You entered on the books all his receipts for mail-pay?—A. Yes, sir.

Q. How would you arrive at those accounts and know what he had received?—A. From the Post-Office reports, which they would quarterly send to us, showing how much was coming from each route and the aggregate.

Q. That would be coming to you, and you would make up the account from that?—A. Yes, sir.

Q. You would not see the drafts or the check that they gave him?—A. No, sir; I never saw any of them.

Q. But the monthly reports of the amount due would be sent to you, and from that you would charge?—A. Yes, sir.

Q. Do you know anything about the fines or deductions assessed against his routes, or did you have any connection with investigating the fines and deductions?—A. No, sir; I never had anything to do with investigating them.

Q. Did you have anything to do with procuring testimony to have them remitted?—A. No, sir.

Q. Do you know anything about their being remitted, except as a matter of fact?—A. Nothing more than as a matter of fact—what I saw upon the reports as they were submitted from the Department.

Q. Would you know of the deductions and fines that they assessed and made against him, even though they might have been subsequently remitted; would they send you reports?—A. Yes, sir; the reports would show the fines, and then the rebate afterward would appear in a subsequent report.

Q. What was Mr. Sawyer's success in having remissions or rebates?—A. I do not know hardly how to answer that, because I do not know what would be considered a success.

Q. Did he have large deductions assessed and large fines assessed against him at times?—A. Not very heavy; at least I did not think so. I had no way of judging; I was not much conversant with the business.

Q. Did he have those remitted?—A. In some instances he would, and sometimes he would not.

Q. What was the largest amount of fine that he ever had?—A. I cannot remember.

Q. What was the largest amount of remission?—A. That I cannot tell. I was not familiar with that branch of the business.

Q. What officers in the Post-Office Department would most frequently come to visit him at his house?—A. I do not know that I ever saw any there. I do not think I ever did.

Q. Did any of them ever come to see you?—A. No, sir.

Q. They had transactions with you?—A. No, sir.

EUNICE B. SAWYER sworn and examined.

By the CHAIRMAN:

Question. State to the committee whether you are the widow and executrix of Mr. F. P. Sawyer, deceased?—Answer. I am.

Q. The committee have desired, by subpoenaing you, to make an inspection of the books of your late husband as a mail-contractor. Have you the possession of the books?—A. I have a certain portion of them.

Q. What books have you possession of which belong to the firm?—A. I have the books that I found which were in the house, which belonged to the divisions.

Q. You have all the books, then, that could be found that belonged to the business?—A. Yes, sir; I think so.

Q. I presume you have no personal knowledge of the contents of those books?—A. No, sir.

Q. Can you state to the committee what particular books you have?—A. I have bank-books, memorandum-books, day-books, and journals.

By Mr. McMAHON:

Q. Have you brought the journal or day-book which Mr. Sawyer kept individually, and the ledger which he kept individually, together with his different bank-books?—A. Yes, sir; they are in the package.

Q. Have you brought everything in the shape of books?—A. Yes, sir; it was my intention to do so.

Q. You have brought everything that you know of?—A. Yes, sir.

Q. Upon investigation of your husband's estate, it turned out to be not what it was supposed it would be upon his death, did it not?—A. Yes, sir.

Q. And to be substantially involved?—A. Yes, sir.

By the CHAIRMAN :

Q. You have no knowledge of how it became involved ?—A. No, sir ; not the least.

FRANCIS C. TAYLOR recalled and further examined.

By Mr. McMAHON :

Question. Have you the books of Sawyer and Ben. Ficklin before you ?—Answer. I have the ledger and the journal.

Q. Beginning at what time, and ending at what time ?—A. Those books cover the business which was commenced in the fall of 1867, but I did not commence making them out until in April, 1870. I made out the books from bills which I found in the office, and such others as were afterward rendered.

Q. That is, back of your time ?—A. Yes, sir ; there were no books there that amounted to anything. There were some bank pass-books, and things like that, but most of them are from bills.

Q. It ran down to July 1, 1875, and even past that time ?—A. No, sir ; the business of Ben. Ficklin and Sawyer stopped on the 30th of June, 1871.

Q. When did Ben. Ficklin die ?—A. I understand that he died here on the 10th of March, 1871. You will find a great many entries on those books which were made long after June 30, 1871, because, as I stated yesterday, I believe the only settlement I was concerned in making was in December, 1872, but there was no business transacted by that firm except in closing it up.

Q. Look at the ledger account, and show to the committee the items which constituted the expense account for attorneys' fees, amounting to about \$200,000, of which you spoke yesterday.

The WITNESS. I desire to state that these books were made up from memorandum-accounts that came in from time to time from Mr. Sawyer. On my examination of yesterday, I did not include Judge Paschal's items in the transaction of \$200,000, mentioned by me considering it regular outside expenses. I find on page 5 of the journal, July 1, 1868, paid H. \$1,000 ; August 7, 1868, paid H. \$6,100 ; page 9 of journal, February 25, 1868, paid H. \$100 ; April 1, paid H. \$1,000 ; May 22, on account of the line, \$500 ; August 10, on account of the line, \$2,000. On account of the line without date, \$900. October 1, paid H. \$1,000 ; November 25, on account of the line, \$2,000 ; December 18, on account of the line, \$1,000 ; February 3, 1869, on account of the line, \$1,000 ; February 17, paid H. \$1,900 ; February 25, on account of the line, \$3,200 ; March 3, on account of the line, \$2,000 ; March 30, on account of the line, \$1,000 ; April 3, on account of the line, \$2,000. On page 10 of journal, February 7, 1869, sundries, \$500 ; April 13, Dent and Page, \$1,000 ; April 18, on account of the line, \$1,000, with pencil mark "H." That may have been something between the clerk who came out there, and myself—some reference mark in comparing the books. That is my handwriting. May 4, on account of the line, \$2,500, and above that \$1,000 H. ; May 10, on account of the line, \$2,500 ; August 18, for benefit of the line, \$2,000. Without any date, but following that, H. for the line, \$1,500. On account of the line, \$1,000, and in my handwriting, in pencil, relating to that, a capital H is made. Following date of August 23, is "General Heath or Heth, cash, \$150." Page 257 of journal, November 4, 1869, Thomas Hood, \$1,000 ; August 29, Thomas Hood, \$1,200 ; September 29, for the line, \$1,000 ; October 14, cash for the line, \$250 ; October 18, Thomas Hood, draft of June 20, 1869, \$1,000 ; October 19, G. W. Clark, \$500 ; October 23, for the line, \$1,200 ; November 1, Thomas Hood's draft of June 20, 1869, \$1,000 ; December 13, W. T. Clark, \$500 ; May 9, 1870, G. W. Earle, \$400 ; June 15, Thomas Hood's draft of April 6, \$3,000 ; August 4, 1870, Johnson, attorney, \$7,158.77 ; October 6, 1870, Johnson, attorney, \$350 ; October 7, Johnson, attorney, \$1,750 ; October 9, B. F. Wilkins's draft, \$1,000 ; November 17, G. W. Earle, \$1,000 ; November 18, D. O. Floyd, \$100 ; January 2, 1871, Thomas Hood, one watch, \$275 ; January 9, Johnson, attorney, \$500 and \$1,750, making \$2,250 ; January 11, watch, \$230 ; February 28, paid for the line by B. F. F., \$500—that is Benjamin F. Ficklin ; April 19, paid for "S," (sundries,) \$500 ; May 21, Johnson, attorney, \$3,862.28 ; page 288, July 14, J. W. Johnson, attorney, \$5,750. The following entries appear charged to Judge Paschal's account : Judge Paschal, May 24, 1868, \$500 ; Judge Paschal, February 25, 1869, \$3,000. I see here is a pencil-memorandum which I have made "three items." Sawyer's account was so badly made out that I was in some doubt about dates, and sometimes about amounts. April 5, Judge Paschal, \$2,000 ; no date, Judge Paschal, \$250 ; May 25, Judge Paschal, \$1,000 ; August 5, Judge Paschal, \$530 ; September 27, Judge Paschal, \$500. Judge Paschal's draft of October 1, \$300. Page 258 of journal, November 7, Judge Paschal, \$500 ; December 9, Judge Paschal, \$500 ; 1870, January 31, Judge Paschal, \$500 ; April 30, Judge Paschal, \$500, and interest, \$502.75 ; May 28, Judge Paschal, \$100 ; June 30, Judge Paschal's draft, March 28, \$1,000. Page 340, December 4, 1871, Judge Paschal, \$2,525.25 ; June 1, 1872, Judge Paschal, \$500 ; June 21, Judge Paschal, \$1,619.60 ; September 2, Judge Paschal, \$505.25. Those are all that I can remember, although there may be other amounts. I cannot, however, pick them out of the books. I gave you my recollection yesterday, and have shown you from the books all I can get out.

By Mr. McMAHON:

Q. State whether you have been compelled to pick these items out by going through the entire journal of the business.—A. Yes, sir; I have been compelled to do it by going through the journal.

Q. There are no marks to indicate what items were and were not of that kind. Some of them may be and some of them may not be.—A. Yes, sir; I think I said yesterday afternoon that I thought Judge Paschal's fees for the three years had been from five to ten thousand dollars a year. That was my recollection, although I could not remember those things positively for so many years; it was my recollection that something in the neighborhood of \$200,000 had been expended in Washington by this concern, or expended in this section of the country.

Q. Is your memory now changed as to the amount probably expended?—A. I cannot find anything else there, and I could not say now that it was any more than I have shown. Of course there may be some of these items which I have selected there about which I once knew better from memory. The first of those items you will find were the items which were marked "paid H." The account was a very long one rendered by Mr. Sawyer. I think it was in the neighborhood of \$400,000. I did not know what account to charge them to, and I showed the account to Ficklin and asked him how I should charge them. He said, you can charge them to expense account, that it was money Sawyer was spending here in Washington; that I was to charge it to expense account without vouchers, which I did.

Mr. CANNON. I believe you stated, and if not I will get you to state it now, whether those books were made up in 1870 from memoranda furnished to you running from 1867.—A. They were commenced in 1870, from memoranda and statements of accounts commencing in October, 1867, and then continuing on through.

Mr. CANNON (referring to items of bonus to Vale and Williamson; \$3,348, page 258; on page 259, November 5, 1869, to H. M. Vale bonus \$5,395.80; page 259, to H. M. Vale bonus \$4,272.59.) This appears to have been a bonus on mail contracts?—A. It was a bonus on mail contracts then being run by Vale, and which he transferred to Ficklin and Sawyer. That was a *bona-fide* transaction.

Q. Referring to these items which you have given, which aggregate, say, in round numbers, independent of Judge Paschal's fees, probably from seventy-five to eighty thousand dollars, I take it that you do not know whether any, or what proportion, was paid out for bids, or contractors, or bonuses.—A. No, sir, I do not; you will see that a very large portion of that was before I went to Texas, and I never had anything to do with the bids.

Q. Do you know what became of the original memoranda that you made up this account from; are they probably mislaid or destroyed?—A. They may have been turned over to Mr. Sawyer, or they may be in the office at Concha; I do not know. That portion of the business was settled satisfactorily between the parties. I may have returned the papers.

Q. They ceased to be of any value, of course?—A. Yes, sir; and I couldn't say where they are.

Q. In turning over these books, speaking of some of your accounts, you spoke incidentally of some items there; that was a statement or a charge or credit, as the case might be, which arose from a transaction between Mr. Sawyer and somebody who had a night-soil contract here in Washington. He was in some business of that kind here, was he?—A. Yes, sir; as I understood; I heard it from him. I don't know exactly when it was. It may have been probably two or three years ago.

Q. Something was mentioned about the Arlington Brewery; was Mr. Sawyer interested in that?—A. I understood he made a purchase of the Arlington Brewery about two or three years ago, and made it to present to one of his sons. I do not know whether you can call it in the hands of his son, or in the hands of the chancery court, now.

Q. Do those books give any clew to the amount that he paid out on patents or speculations in patents?—A. No, sir; they do not.

Q. When did Mr. Sawyer go into bankruptcy?—A. I think it was some time during the year 1867.

By Mr. McMAHON:

Q. Please state whether your memory has been refreshed any way since yesterday, in thinking over the matter, as to whether Mr. Sawyer named any other persons at any time to whom he had paid money in Washington City.—A. Yes, sir; I spoke of that matter as soon as I came in, and wanted to examine my testimony and correct it. I was very tired yesterday. My memory had been taxed thinking over all these things, and after I got out I thought of two or three parties' names.

Q. Are they alive?—A. Yes, sir; he told me that he paid General George Cook \$5,000.

By Mr. CANNON:

Q. Who is he?—A. He is here in the city; it was meeting him which refreshed my memory.

Q. Was he in the Department?—A. No, sir; he was not connected with the Department at all. He was a contractor. I think he has a street contract here now.

By Mr. MILLER :

Q. Had he a mail contract?—A. He has had mail contracts.

Q. What was this money paid for?—A. I do not know that; Cook told me last evening, when I spoke to him, that he had no objection to stating what it was for. I spoke to him, and he told me that he did receive the money. Another man was J. J. Hinds. I think he said that he paid Hinds ten or fifteen thousand dollars.

Q. For contracts?—A. For contracts; he mentioned those things to me either last winter when I was here, or the last meeting which I had with him, which was a few months before his death.

By Mr. McMAHON :

Q. That was a part of the \$73,000 expenditure?—A. Yes, sir.

By Mr. CANNON :

Q. Hinds was a contractor at that time?—A. Yes, sir.

Q. He told you in the same conversation that Hinds was a contractor, and this was for the purchase of contracts?—A. It was not necessary for him to tell me that, because I knew Hinds, and knew who he was. I did not know Cook, though.

Q. State how you raised money to pay expenses for the last two years in running those lines, and what rates of interest were paid, and why you paid those rates.—A. I raised money by time-drafts on Mr. Sawyer, at thirty, sixty, and ninety days, paying interest at the rate of from one to one and a half per cent. a month, and occasionally, getting small sums, I paid as high as two per cent.

Q. That was necessary to do on account of Mr. Sawyer's being embarrassed, and the drafts going to protest?—A. Yes, sir; over half those drafts went to protest for two years.

WASHINGTON, April 1, 1876.

J. L. SANDERSON sworn and examined.

By Mr. LUTTRELL :

Question. Where do you reside?—Answer. In Saint Louis.

Q. Are you a member of the firm of Barlow, Sanderson & Co.?—A. Yes: of the firm of Barlow & Sanderson.

Q. What is your business?—A. Staging.

Q. Are you engaged in mail-contracting?—A. Yes, sir.

By Mr. CANNON :

Q. When did you become a member of the firm of Barlow, Sanderson & Co.?—A. In 1860.

Q. Who comprised that firm at that time?—A. At that time it was Barlow, Sanderson & Cottrell.

Q. How long did that firm last?—A. It lasted until 1862; then I went out, and it was Barlow & Cottrell until 1864. When Cottrell died I bought in then part of Barlow's interest, and a fellow named Barnum was in; it was Barlow, Cottrell, Vickroy & Barnum from 1862.

Q. When did that firm expire?—A. In 1864, I think it was.

Q. Who composed the firm after that?—A. After 1864 it was Barlow, Sanderson & Co., which was Barlow, myself, and I. J. Barnum.

Q. How long did that firm last?—A. It ran until 1870.

Q. Then who comprised the firm after 1870?—A. Barlow and myself, after 1870.

Q. Did you buy Barnum out?—A. I did.

Q. What was your interest in the firm?—A. My interest at the time I bought in with Barnum, or bought him out rather, was a quarter, or a little over. I bought out a one-sixth partnership. Barnum had one-sixth, and Barlow and I had the balance. We bought Barnum's sixth out, and then I let Mr. Barlow have one-half of that to make it even. Then it was Barlow & Sanderson from 1870.

Q. Where were you performing mail-service?—A. In 1870 we ran from Denver to Pueblo, and also from Carson, on the Kansas Pacific Railroad, to Santa Fé. That makes two routes. I think we had the route up and down the river, which was one hundred miles. That was merely a three times a week side-cut.

Q. Was there a route which you had from Mesilla to Los Angeles?—A. Yes, sir.

Q. Were you interested in the routes north of the Arkansas River?—A. Nothing only from Denver down to Pueblo, and from Carson over to what is now Fort Lyons.

Q. How was it about that Kelton and Dallas route?—A. I never had a dollar in it, and I know nothing about it.

Q. Yours were the routes from Denver and the routes south of the Arkansas River?—A. Yes, sir.

Q. What part of the business did you attend to?—A. Nothing but the rolling-stock and the regulating of the roads. That included the animals and coaches, and seeing to the general management of the road.

Q. Did you give your personal attention to that matter?—A. Yes, sir; I was the general superintendent.

Q. Who did the business here at Washington?—A. Mr. Barlow.

Q. Did you ever have anything to do with it?—A. I had nothing to do with it, and paid no attention to it whatever.

Q. Do you know anything about how it was done?—A. No, sir; I might answer that I do not. Answering correctly, I should say that I do not.

Q. State what you know about the firm of Barlow, Sanderson & Co., prior to 1870, or Barlow & Sanderson since that time, putting in "straw-bids"?—A. I know nothing about it. I know that I never put one in, never caused one to be put in, and I do not know that any of our firm put in any.

Q. Think a minute. Do you make that sweeping and covering the whole ground as to "straw-bids"?—A. Yes; I guess you may say that. We never talked about it, and I had nothing to do with it.

Q. Are you still operating in the West?—A. Yes, sir.

Q. Are you and Barlow together?—A. Yes, sir.

Q. What do you know about the purchase of bids, or the option?—A. I never purchased a bid in my life, and I do not know anything about it.

Q. If bids were purchased by your firm, who did it?—A. It would be Mr. Barlow; that had nothing to do with me. I never paid any attention to the contracts or the bidding.

Q. Let me see if I understand you. Barlow looked after the whole business at Washington in reference to the obtaining of contracts and everything of that kind?—A. He did.

Q. That was his specialty?—A. Yes, sir.

Q. And you looked after the conducting of the business and the actual service?—A. I looked after the actual working of the roads and the running of them, and the managing of them.

Q. Do you know Stillman A. Danforth?—A. I do.

Q. How long have you known him?—A. I could not say exactly; it was about 1868, 1869, or 1870 that I knew him.

Q. Where did you know him?—A. At Kansas City. He was an office-agent for the Kansas and Pacific Railroad.

Q. State to what person or persons in the employ of the Post-Office Department at Washington or elsewhere, if any, you have made presents or paid money for the purpose of procuring contracts or otherwise.—A. I have never given a post-office official a cent in the world, in no shape or form.

Q. How as to presents?—A. I did not give a present.

Q. Did you or not make a present of a pair of horses to any post-office official?—A. I did not, nor any other living man.

Q. Or a diamond pin worth \$1,000?—A. No, sir; nor one dollar.

By Mr. LUTTRELL:

Q. Did you ever hear that any of your firm, or any one for or in behalf of the firm, had paid money or given presents in the way of securing these contracts?—A. I did not, sir; I never knew of such a thing.

Q. Did you ever hear any member of your company complain that your company was being blackmailed here by parties around the Department?—A. No; I never paid any attention to it. I never paid any attention to these things. I never heard such a thing. Those things did not interest me.

By Mr. CANNON:

Q. Did you authorize anybody to make presents or pay money?—A. I did not.

Q. Or suggest to them to do it?—A. No, sir.

By Mr. LUTTRELL:

Q. In Mr. Barlow's accounting to you for moneys received and expended here at Washington, did he ever account to you or state to you for what purpose he paid large sums of money here?—A. No, sir; he never did.

Q. Did you ever have any vouchers from him, or ask him why it was that so much money was paid?—A. No, sir; I never did.

Q. Is it possible you do business in that loose way, where \$15,000 to \$30,000 were paid out at a time?—A. That is the way we have done it.

Q. You left it to him to pay out, requiring no vouchers from him?—A. I did; and he did the same by me.

Q. Did you ever pay out any large sums?—A. I never paid anything in the world only for the expenses of the road and the running of the road. I see to all of that, and Mr. Barlow sees to the Washington affairs here.

Q. Did you give him permission to use whatever money he desired?—A. It was an agreement between us that he should handle the affairs at Washington, and handle them to suit

himself, and I would do the same West to suit myself. It was an agreement harmoniously between us. Neither one has ever, from the day we commenced, found any fault with the Washington business, or the way of managing it.

Q. Did you ever hear him speak of having paid a large amount of money to one Farrar?—A. I never heard him say a word about it.

Q. Did you know such money was paid to Farrar?—A. I did not until I saw his testimony. I knew more after reading his testimony what he had been doing here than I ever knew before.

By Mr. CANNON:

Q. Who drew the mail-pay here at Washington?—A. Mr. Barlow.

Q. Who collected the pay on the routes West? I mean the passenger-receipts.—A. That money was sent in by the agents to the regular office. We run conductors on every coach, and what they would receive coming over the routes they would turn over to the office-agent.

Q. Did these office-receipts yield sufficient to pay all expenses out there?—A. No, sir.

Q. How was the deficit paid?—A. It was drawn on Mr. Barlow to settle the balance every quarter.

Q. State if you did not say to Stillman A. Danforth, in Kansas City, during the time that he was there and having an office adjacent to you, that it took large amounts of money to grease the Government officials at Washington; and that you could not get them to carry a paper from one place in the Department to another without giving them money for it?—A. No, sir; I never made such a statement.

Q. Or anything to that effect?—A. Nor anything to that effect, for I never thought of the thing. It never entered my mind.

Q. Do you state now that you had no conversation of that kind with him?—A. I had no conversation about it, because it never entered my mind and I never thought of it.

By Mr. LUTTRELL:

Q. Did you ever have any conversation with Mr. Danforth in Kansas City?—A. I have had conversations with him of course.

Q. I mean in relation to your mail business?—A. No, sir.

Q. Did you ever request him to sign any bids for you?—A. I do not know whether I ever did or not, for the reason that we were making out bids and anybody who sat in the office there when we were entering into a contract was willing to go on our bond. I might have asked him to do it. I could not say that I did not, and I could not say that I did, for it has all gone out of my memory. Anybody whoever sat in the office we might ask to go on our bonds, which people used to do.

Q. How long have you known Mr. Danforth?—A. Somewhere from 1868 to 1869, I think, was the first of my acquaintance with him; perhaps 1870; I do not recollect exactly when it was. It was about that time.

Q. Have you intrusted business and money to his care?—A. No, sir.

Q. Was he not considered a very reliable man there?—A. No, sir; he was not.

By Mr. CANNON:

Q. State if in 1870, in Kansas City, at your office or elsewhere, you stated to Mr. Danforth that there was \$28,000 in New York drafts, and that you had laid that aside with a large amount of other moneys to be used in the July lettings; and that it took a pile to keep these fellows—meaning the Department officials at Washington—fixed up?—A. I never made the statement in my life.

Q. State if you stated anything in substance to that effect.—A. No, sir.

Q. Or any part of it?—A. No part or parcel. The thing never entered my mind. I do not think we ever had that amount of money there.

Q. State if you told Mr. Danforth at any time, in Kansas City, or elsewhere, that you had to pay one man in the Post-Office Department at Washington \$5,000 every quarter?—A. I never made that statement in my life.

Q. Or any other amount, or anything to that effect?—A. Nor any other amount, nor anything that would throw light that way.

By Mr. LUTTRELL:

Q. Were you in the habit of having settlements with Mr. Barlow of your firm? How often did you have a settlement?—A. Every quarter, you might say.

Q. Would you render to him an account of the money received and paid out by you in your division?—A. It went on the books, the money we received and the money we paid out; and if there was anything due it was divided; if there was not anything due it was not divided.

Q. How much were you allowed each quarter for your expenses?—A. Nothing at all at that time. If I wanted any money for the company, I drew it out and it was charged to the company.

Q. How much were you in the habit of drawing out for company expenses every month?—A. I could not say.

Q. Was there any specified sum set apart which you would draw each month?—A. No, sir.

Q. Did you ever have any conversation with your book-keeper as to the amount of money which you would use each month?—A. No, sir.

Q. Were there any charges ever made in your books by your book-keeper, charging you with money used each month, stating that it would be two or three or four or five hundred dollars a month?—A. No, sir; whenever I would draw out that amount, perhaps, as I wanted it, he would charge it up as expenses to the company.

Q. Were you in the habit of rendering vouchers to your book-keeper for amounts expended by you?—A. Whenever I would draw out a hundred dollars I would give him a voucher.

Q. Would you specify in that voucher for what purpose your money was to be used?—A. Yes, sir.

Q. Was Mr. Barlow in the habit, when he rendered an account of money received and paid out by him, of rendering vouchers to the company?—A. Do you mean drawing a voucher?

Q. Yes—A. I do not think he was. That I know nothing about; that was another part of the play.

Q. Then you mean to say that you rendered a voucher for all the money which you received and paid out?—A. Yes, sir.

Q. And that your partner, Mr. Barlow, did not do so?—A. Well, sir, I could not tell you whether he did or not. I paid no attention to the books.

Q. Did you ever demand a voucher from him?—A. I never did.

Q. Did you ever complain to your book-keeper that he (Barlow) was expending too much money here?—A. I never did.

Q. You know about what amount of mail-pay your company was receiving on these western lines, do you not?—A. No; I did not pay any attention to it. I had an idea it was about so much.

Q. Can you approximate about what amount would be due you each quarter from your mail-pay on this line?—A. I did not know anything about it until after the bills were all paid. Bills would be some quarters a good deal more than they were others.

Q. What bills do you refer to?—A. Bills on the road; the expenses of running the road.

Q. But what I mean to say is this: You know about what amount of mail-pay was coming from the Department here?—A. Yes; in rough.

Q. Was Mr. Barlow in the habit of remitting the mail-pay to your company there?—A. Whatever money we wanted we would draw on him for after using up the passenger-receipts, as we called it. We needed so much more money, which we could figure up to last that quarter. We would draw on Mr. Barlow for the balance, and he would send it in drafts to us.

Q. You have not answered my question yet. Do you know or can you approximate about the amount of money that is due each quarter from the Government to your company for carrying the mails?—A. There is a difference, you know, in quarters and a difference in years.

Q. State about the amount. You had contracts running back four years?—A. Yes, sir.

Q. About how much were you receiving a year for carrying the mails for the Government?—A. I could not tell you that.

Q. It amounted to some several hundred thousand dollars, did it not?—A. Well, when we had the lower road, it did; not a great many hundred thousand dollars, either.

Q. Mr. Barlow drew that money, did he not?—A. Yes, sir; he drew it.

Q. Did he render to you and your company's books a full statement of the receipts of that money?—A. Yes, sir; I suppose he did.

Q. Did he render an account of money paid?—A. Yes, sir.

Q. Did you ever examine those accounts?—A. I never did. I never saw the inside of our books in my life.

Q. Did you ever talk your business over with him?—A. O, yes; we have talked our business over.

Q. Did he ever state to you that he had paid out many thousand dollars of money, received for mail-pay, to parties around Washington?—A. No, sir; he never did. He never told me anything about it.

Q. Did you not discover that he was paying out a large amount of this money that was received for the mail-pay?—A. I never paid any attention whatever to what was paid out or what went on to the books. I paid no attention to the books any more than I did to the Washington affairs here.

Q. Did you not have any conversation with your book-keeper to ascertain how things were going?—A. I never had any conversation about it at all.

Q. You simply, then, knew nothing at all about what was going on in the company?—A. Not in the book-account. We were satisfied that Mr. Griffin was keeping the books straight. I was satisfied, and so was Mr. Barlow.

Q. Did not Griffin tell you that Mr. Barlow was drawing out so much every month, and that you ought to draw a like sum?—A. No, sir; he never said anything about that to me.

Q. Or so much a quarter?—A. No, sir; he never said a word to me about that, to my knowledge.

Q. Did you ever examine the balance-sheet or ask him about the balance-sheet, and what your dividend was, from time to time?—A. Certainly; I used to go in and ask him how the books stood, but I never would look at them.

Q. Did he report to you that Barlow had withheld a large sum of money, from time to time?—A. No, sir; he never said anything to me about it. I frequently asked him how the books stood, what shape they were in, how much was coming to me, or how we stood, and he would give me a little slip of paper. So much, he said, belonged to me, and so much to Mr. Barlow.

Q. Do you mean to say that you never had any knowledge of the amount of money that Barlow was paying here for purposes, around the Department in the city of Washington?—

A. I do. I knew more after reading his testimony than I ever did before in my life about it.

Q. That was the first intimation you had of it?—A. That was the first intimation.

Q. Have you had any conversation with Barlow since that time?—A. Yes, sir.

Q. What explanation did he make to you?—A. Nothing except the same as he testified here. I brought all up that he testified to, and we talked about it.

Q. Did you ask him why it was that he had never given you the information before?—A. I did not.

Q. You asked him nothing at all about it?—A. I did not care a thing about it, and I did not ask him. It was nothing concerning me.

Q. You mean to say that for the \$20,000, \$30,000, \$50,000, or \$100,000 which he testifies to have paid out that you cared so little about it that you never inquired into it?—A. I state that emphatically. He never was the man to ask me, "What are you doing, Sanderson, out West? How are your roads running? How much does it cost you?" He never asked me a word about it, and why should I turn around and ask him. I would not, and I did not do it.

Q. Did you ever spend such large sums of money as he did here?—A. My money was spent paying bills of the routes, and building new routes, stocking roads, &c.

Q. If you had known that Barlow was paying out this vast sum of money to parties around Washington, would you have objected to it?—A. I never have said a word about it. I let it pass in one ear and out of the other. That is the confidence I had in Mr. Barlow.

Q. Did you know of Huntly buying off bidders on the western coast?—A. No, sir; I did not know, and I cared nothing about it. That was in their business, and the other was in mine.

Q. You simply allowed them to do just as they pleased, and if they returned anything well and good, but you never made any inquiries?—A. I was satisfied with everything Mr. Barlow did, for I knew he was the head of the concern here, and I was satisfied it would be managed well where he was. That is just as it is.

Q. Did you not room with Mr. Danforth for a considerable time there?—A. I did not room with Mr. Danforth.

Q. You never boarded with him?—A. No, sir.

Q. You never slept with him?—A. I do not think I ever slept with the critter; I might have done so, but I do not know it.

By Mr. CANNON :

Q. State if, at Saint Louis or elsewhere on the 26th of May, 1875, Mr. Danforth showed you a letter from the Postmaster-General requesting him to give information about your contracts, and whether you did not state in reply to him that it did not make any difference about that; that you had got together and burned up all the books and papers that would show anything, or anything to that effect?—A. I made no such statement as that.

Q. Do you recollect the circumstance of his showing you a letter?—A. Yes, sir; very well.

Q. What conversation was held at that time, if you recollect?—A. He said that he had received a letter from the Post-Office Department, and showed me a letter. I forget now who it was signed by. I could recollect the name if I should hear it. He wanted to know what he should do about it. Said I, "I should go to Washington immediately." "But," said he, "I have got no money to go with." I said, "I cannot help that; I do not care anything about it, if they have called you to Washington, I should go immediately."

Q. Did you have any conversation with him at that time or any other about burning up your books?—A. I do not recollect whether it was that time or some other that I had a conversation, I think about burning the books and papers. I told him why it was done.

Q. If there were any books and papers destroyed you can tell the circumstances under which they were destroyed?—A. Yes, sir; we had a large accumulation of books and papers, way-bills, old scraps of every kind. The offices were small, moving from point to point as the railroad pushed us. We had got everything about full. We were up to 1870. I bought Barnum out then. There was then nobody left but Barnum and Sanderson. Griffin asked me what to do with those things and suggested the idea of drawing a balance on the old books and making a new set of books, putting the balance on there and starting

it right, and wanted to know if it would not be better, and when I thought of it I told him I had no objection and did not care what he did. Said I, do what you choose, act on your own judgment about it.

By Mr. LUTTRELL:

Q. Griffin consulted with you?—A. Yes, sir. "Very well," said he, "I will get a new set of books; I will balance them up and put the figures on to the new books, start anew and clean up this old thing, as Barnum is out and all is settled up square, and I will start anew. "Very well," I said, "I am satisfied; perhaps it is best; then you will start with a clean sheet for Barlow & Sanderson." He did so. That left the old books, being the remnants of seven or eight years' staging with all the parties I have told you about, and all these old papers which were of no use to us or anybody. He said, "What shall I do with them?" I said, "I do not care what you do with them; destroy them some how; get them out of the way; I do not want them lying around the office boxed up. The pigeon-holes are full and the books are no use to any one; there is nothing there to cover up; the new books will show; do what you have a mind to do; destroy them."

Q. How did he destroy them?—A. He burned them.

By Mr. CANNON:

Q. When was this?—A. I could not tell you exactly when it was.

Q. About the year?—A. It was about 1870 or 1871. I do not recollect.

Q. When did you buy Barnum out?—A. In 1870.

Q. Was it shortly after you bought Barnum out?—A. Yes, sir; then we concluded to have this new set of books and start anew.

Q. I understand, then, that you had settled with Barnum and the whole business was settled up?—A. Everything was clean to that time.

Q. And you and Barlow were the only partners? Then it was Barlow & Sanderson?—A. Yes, sir.

Q. You speak of having small offices and moving your offices about, and being shoved about by the railroads. What do you mean by that?—A. We had one principal office where Griffin staid. He was the only man we had as book-keeper. We would start in from one point and the railroad would shove us; they would build on and we would be obliged to move. Griffin always took care of the books and was the receipting agent at that starting-point. As fast as the railroad would build on we would be obliged to go off.

Q. You wanted to get rid of this rubbish?—A. We did want to get rid of this rubbish. It was for nothing but to get rid of the trash that we had accumulated for six or seven years. The offices were small.

Q. Did you have in view in consenting to the destruction of these old books, of seven or eight years back, the destroying of any evidence of the payment of money to any one else?—A. No, sir; not a particle. I never thought of the thing; it never entered my mind.

By Mr. LUTTRELL:

Q. When did you last see Mr. Danforth?—A. I cannot tell you; a year ago, or perhaps a little more.

Q. Have you not seen him during this last winter?—A. No, sir; I think the last time I saw him was when I answered him about that letter.

Q. When did you see Mr. Griffin, your book-keeper?—A. I saw him on his way home.

Q. Did you see him as he came here?—A. Yes, sir; we talked. He was at my house. He came in in the morning and went out at night.

Q. Did you meet him at the depot?—A. No, sir; I did not. He came up to my house and staid all day and came up at night.

Q. Do you remember stating to Mr. Griffin that you wanted him to swear the truth?—A. He said that he had a subpoena to come on here. He wanted to know what he should do. I told him there is not but one thing to do; go there and tell the truth; that is all I ask of you. State the truth in everything. I don't want you to go dodging anything or try to. Whatever they ask you and you know about it, you answer it. I think those were all the words I said to him. I know I was very decided about it.

By Mr. CANNON:

Q. State if you had any conversation with Mr. Danforth in reference to the amendment to the postal code by which contractors, where the bids were over \$5,000, were required to deposit certified checks with said bids, say, probably, in 1874.—A. Not in the least.

Q. State if you did or did not tell him in 1874, or at any other time, that your firm got the certified-check bill passed through to keep off the small fry?—A. I never made the statement in my life. I never thought of it.

Q. What did you do toward getting that bill passed?—A. I do not know. I never did anything about it. I never knew anything about it. I never knew when it was on and when it was off.

Q. Were you in the habit or did you at any time put in any straw-bids?—A. I never put in any in my life.

Q. Did you authorize the same to be done?—A. No, sir; I never knew it to be done.

Q. State whether you did or did not give to any member of the Post-Office Department or post-office official, horses, a buggy and harness, or anything of that kind.—A. I never did.

Q. State if you did not say to Mr. Danforth that you did.—A. I never told him any such thing in the world, because I never thought of it.

Q. What do you know about this man Danforth being the original inventor and discoverer and worker-up of the Saint Louis whisky frauds?—A. I do not know anything about it.

Q. Did not you advise him not to have anything to do with it; that he did not have money enough to hire the Government officials to take notice of anything that occurred there?—A. I will tell you the conversation. He came to Saint Louis and met me down in one of the railroad offices, and told me what he was going to do, and asked me what he should do. I said I know nothing about this affair; what do I care about it or know about it? He went on to tell that he was going to do so and so, great things; I said I know nothing about it; it is nothing that interests me.

Q. Was he speaking in reference to the whisky frauds at that time?—A. Yes, sir.

Q. Do you recollect what year that was?—A. No; I do not recollect. It has passed from my memory. I never have thought of it again since that time.

Q. Did you not advise him not to have anything to do with it; that he did not have money enough?—A. No; I did not say anything about any money. I might have said, I guess you had better let such a thing as that alone; I might have said it and I might not. I will not say that I did or I did not. I do not think I did, but still I might. I might have said it in the way of conversation.

Q. State what you told Mr. Danforth, if anything, about the member of Congress from Kansas City backing you in the bids that you were making for mail contracts.—A. I never told him anything.

Q. State whether the member of Congress from Kansas City, or representing that district, did back you or your firm in your mail contracts or in your biddings and lettings.—A. No, sir.

By Mr. MILLER :

Q. Were there any quarters in your business there when the receipts at the West paid all the expenses so that you did not have to draw on Mr. Barlow here?—A. No, sir; there never has been; we have always had to draw on him.

Q. There was always a deficit there and you have always had to draw the balance from him?—A. Always.

Q. You never sent any money collected there, to Mr. Barlow here?—A. We never sent him a dollar. It was always coming the other way.

Q. You never sent any for any purpose?—A. No, sir.

Q. You never had any sum of \$28,000 or \$42,000 in drafts or in money prepared to send to Mr. Barlow?—A. No, sir; if it was ever furnished I never knew of it.

Q. Mr. Danforth's office was in your office, separated by a slight partition, was it?—A. A slight board partition.

Q. It was heated by one fire, was it?—A. Yes, sir.

Q. That was the office of your book-keeper and agent there at Kansas City?—A. Yes, sir.

Q. How did you happen to occupy the same office? How did he happen to get into your office?—A. By the request of the Kansas Pacific Railroad. The superintendent was in there one day, and we had quite a large office there at the time, and we being connected and running to and from there, the superintendent asked me if I had any objection to their dividing off a little corner in there for them to sell tickets. I said no. He offered to pay one-half of the expenses, which he did.

Q. It was on account of the business relations of your company and the Kansas Pacific Railroad Company that you allowed him to come in, and not on account of personal friendship between you and him?—A. There was no love about it. It was the Kansas Pacific Railroad.

By Mr. CANNON :

Q. You spoke of the books prior to 1870, after the settlement had been made, and some in 1870 and 1871 being destroyed, or your telling Mr. Griffin that he could destroy them. Did you stand by and see them burned?—A. I did not, sir.

Q. You do not know of your own knowledge whether they were destroyed or not?—A. No, sir; he destroyed them, but I do not know of my own knowledge that they were destroyed.

Q. You assented to their destruction, though?—A. Yes, I did; I told him to destroy them and get rid of them.

Q. You supposed that he did do so?—A. Yes, sir.

By Mr. LUTTRELL :

Q. Did he ever tell you that he had burned and destroyed them?—A. He said he had destroyed them; that was the answer I got. One time I was down there I saw the office was looking a great deal better, the old books cleaned up there—having been a large accumulation—and I, as a matter of joke, said, you have got pretty well cleaned up. Yes, said he, I was very glad to do it; the old traps and blanks are cleaned out and are gone. That is the an-

swer that he made ; I recollect it very well. I was priding him on how much better the office looked.

Q. Did not Mr. Danforth go bond for you on your bids ?—A. I have answered that once before. I do not know but he might. In making out contracts he was right there in our office, and anybody who sat there, if we were making out contracts and fixing them up we might ask to go on our bond, which we had to have, of course, as a matter of form ; I might have asked Danforth to do it. I will not say that I did not, and I will not say that I did.

Q. Did you consider him a man of property ?—A. No, sir ; not worth a dollar in the world.

Q. He had to take an oath that he was worth money, did he not ?—A. Well, I do not know, I am sure ; I suppose he did.

Q. Have you not put in bids enough to know that a man must make affidavit that he is worth property or worth the amount specified in the bond ?—A. Yes, sir ; he has to do that.

Q. Knowing that fact, you called on him and had him go on your bond ?—A. Well, I will not say that I did ; I do not know that I did or that I did not.

Q. But you knew that he was not worth anything ?—A. I did not think he had anything.

Q. Did not Mr. Danforth tell you at one time that he did not know whether he could go on this bond or not ; that he was worth no property ?—A. I have no recollection of any such thing.

Q. Did not Mr. Foster, the postmaster of Kansas City, approve of your bond which you put in here on bids ?—A. That I do not know ; if they are here they will show for themselves. I could not recollect. These things are all out of my memory ; once passed, they are gone out of my mind.

Q. Did you ever inquire of your book-keeper or Mr. Barlow what sums you were getting for carrying the mails over those western routes ?—A. I have asked Mr. Griffin, the book-keeper, what we were getting.

Q. Did you ever look over the balance-sheet which he would make out from time to time ?—A. Yes, whenever I would ask him how such a thing was on the books, he would hand it to me on a little slip, so and so the book stands.

Q. Did you ever examine to see how much these several amounts were ?—A. I never looked at the inside of our books in my life ; I never saw them.

Q. When the accounts would come there twenty-five or thirty or forty thousand dollars short of what they should have been if Barlow had not paid out this money here, as he testified, did you make any inquiry about it ?—A. No, sir.

Q. Not even when \$40,000 was paid out to that man Farrer, you made no inquiry about it ?—A. No, sir.

Q. No inquiry as to why the account was short ?—A. I did not. No, sir.

By Mr. SLEMONS :

Q. Did you have any reason for not making the inquiry ?—A. Nothing except that I had the utmost confidence in what Mr. Barlow was doing with me. I did not pry into his affairs, nor he into mine, and therefore I paid no attention to it.

Q. You say that Mr. Danforth did not room in your office or stay there ?—A. He did not room in our department. It was in the same building and the same office, but partitioned off.

Q. He did not sleep in your bed ?—A. No, sir ; he did not.

Q. He did not sleep under the same roof ?—A. Yes, sir ; because we were in a big hotel.

Q. Was there any door between your room and his ?—A. No, sir. I do not know whether there was a little door cut out.

Q. Do you say positively that there was not a door there ? I am speaking about the sleeping-room and the office both.—A. I should rather think there was not, but I will not say for certain. I should rather think there was no door cut through the partition, still there might have been a little door in there. The more I think of it I think there was no place to go in without he went out doors and went around. There might have been a little door cut behind, however ; that has gone from my memory.

By Mr. LUTTRELL :

Q. When that account of Barlow's was rendered at the time he paid \$40,000 or \$50,000 to Farrer, you made no inquiry of the book-keeper or anybody else why it was \$40,000 short for that quarter ?—A. No, sir.

Q. You felt no interest as to that ?—A. Not a bit ; I was easy about it.

Q. Did you know that it was short ?—A. I did not. I tell you whenever I wanted to know how we stood as to the books I would go in and ask Griffin, "How do Mr. Barlow and I stand on your book ?" And he would hand me a little slip of paper, "so and so." I would look it over and that was the end of it. It would pass out of my mind and memory, and that was all of it.

By Mr. MILLER :

Q. I suppose the quarterly account amounted to several hundred thousand dollars a quarter.—A. O, no ; we were not doing any such amount of business as that.

Q. I mean the mail-pay and stage receipts. Do you remember what the amount was ?—A. No, sir ; I have no recollection about that amount.

By Mr. LUTTRELL:

Q. Did you ever see Mr. Danforth and meet him frequently in the city of Saint Louis?—

A. Yes, sir.

Q. Did you travel out to Denver and back with him?—A. I do not think I ever went to Denver with Mr. Danforth.

Q. Mr. Danforth testified that he signed a number of bonds or bids for you in 1870. Cannot you tax your memory and remember as to that?—A. I could not. I could not do it. Once done it's forgotten with me.

Q. You recollect well that he was not worth anything?—A. He never was considered worth anything.

By Mr. SLEMONS;

Q. How long were your offices together in the same building?—A. I could not recollect exactly.

Q. Do you know whether he and your confidential clerk were very intimate together?—A. No; I do not think they were. They were the same as anybody would be.

Q. Would your clerk allow him to receive money in his absence or not?—A. Not that I know of. I never knew Mr. Griffin to allow him to receive a dollar to my knowledge.

Q. Did Mr. Griffin never tell you the condition of the books?—A. Nothing, except as I have told you.

Q. Mr. Griffin never told you that there was \$40,000 reserved there to pay expenses in Washington?—A. No, sir; he never told me that.

Q. You never heard of that?—A. I never heard of it. That is new to me.

Q. You do not know then that your clerk and Mr. Danforth were intimate?—A. Of course they used to be together, sitting there and out at the door and around.

Q. Do you know in what capacity Mr. Danforth was there?—A. He was there as ticket agent for the Kansas and Pacific Railroad.

Q. Do you know of any other capacity in which he served while he was in that country?—A. I do not. I think after they shut up the office and moved off he went on, as a sort of traveling agent, East soliciting business. That is my recollection now, still I will not state that positively for I did not pay any attention to it.

By Mr. MILLER:

Q. Did Mr. Griffin know that the Kansas and Pacific Railroad Company had requested that their agent might occupy part of your office?—A. Yes, sir.

Q. And he knew that you wished to accommodate them in that respect?—A. Yes; that was the talk between Griffin and I. Griffin did not want to give up the office, but I said if we are connected so and so, it is best to do it, it will save us half the expenses and they can have that place. I consented to it, but I recollect very well that Griffin did not want to have anybody in the office with him.

Q. At the time when these books were destroyed, or at the time the old contract closed and Barnum went out, had there been any investigations here at Washington that you knew of up to that time about these contracts?—A. No, sir.

Q. Was there any question that there might be anything wrong at all?—A. O, no, not a thing; it never was thought of. A word never was spoken, and I do not think the thought ever came into one of our heads.

By Mr. SLEMONS:

Q. To what revenue officer did you report the net proceeds in that country?—A. Mr. Griffin used to attend to that. That was his part of the business. I do not recollect who the officers were. They were changed.

Q. Do you know what your net income was for any given year?—A. No, sir; that was down on the books.

Q. Do you know what your net income was during your operations there at all?—A. No; it varies every month.

Q. I mean during that time do you know what your income was?—A. I do not; I could not tell.

Q. Did you ever know?—A. I never did.

Q. Is that the kind of business that you do out there?—A. That is the way we do it there.

Q. You did not know what you earned, net, in any given year?—A. No, sir; I did not.

Q. You do not know now and never did?—A. I do not know now nor never did, what we received or what the receipts were. We were stocking new roads.

Q. You relied on the clerk?—A. Yes, sir.

Q. Where is Mr. Griffin now?—A. He is in Kansas City.

Q. I understand you to say that you and Mr. Barlow are partners in business?—A. Yes, sir.

Q. You say that you do not know that he ever paid out any money here, on account of these matters, to secure contracts?—A. I do not.

Q. He never told you anything of the kind?—A. No, sir.

Q. You never examined the books to see. Did you and Mr. Barlow ever have a settlement of your matters out there on that particular route that you speak of?—A. No, sir.

Q. You have not settled yet?—A. No, sir; Mr. Griffin settles that on his books. It is virtually squared every quarter. We never had a settlement in our lives.

Q. Did you ask Mr. Griffin to explain to you how it was that you were in debt so much for matters here in Washington?—A. No, sir; I never did.

Q. And he never did explain to you, did he?—A. He never did explain to me.

By Mr. LUTTRELL:

Q. When your agents, at the different stations, made up their reports, passenger receipts, expenses, &c., did you examine them to see whether they were correct or not?—A. I never examined one in my life.

Q. Did you ask Mr. Griffin or direct him to examine them closely?—A. I never asked him and never told him to. He did all those things himself.

Q. Then you do not know whether you ever had a correct report from the agents or not, do you?—A. I was satisfied that Mr. Griffin would see to that part himself. We had the utmost confidence in him and the way that he did it.

Q. He was stationed at headquarters at the time, was he not?—A. Yes, sir; at what we call the head office.

Q. Who traveled over the lines and superintended them generally?—A. I was the man up to 1870, and Mr. Barnum. Both of us worked together.

Q. You traveled over the lines from 1870?—A. Yes, sir.

Q. Did you ever examine the company's books, from point to point, along the lines?—A. No, sir. I was all along from 1866 to 1870 over the lines, and since then I have been going over the lines all the time. My business was to look to the running of the road, and see that everything was in good running order and run well. Every dollar that was received at the offices was sent into the head office twice or three times a week. I never handled a dollar of our money in my life, only what I paid out for little expenses. We have a paymaster who pays out every dollar.

Q. You are a sort of figure-head; you never handled any money at all?—A. Well, no; I am not a safe man with money, I reckon. I did not handle but what little amount I paid out for my own expenses.

Q. Do you mean to say that you are an equal partner with Barlow?—A. Yes, sir.

Q. And he did not allow you to handle any money?—A. There was not any "allow" about it. There was no use of my handling any money. I did not need it.

Q. You had plenty outside of that?—A. If I wanted to pay any expenses, I would draw it out of the main office; that is, if there was any there. If there was not I would pay it out of my own.

Q. Were you the general traveling agent of the company?—A. No, sir; we have a general superintendent. He sees to everything, and pays all the bills.

Q. Who is he?—A. He is a brother of mine.

Q. You have the same confidence in him that you have in Mr. Barlow?—A. I have the utmost confidence in him. I would not look over one of his accounts if I should see a thousand of them.

Q. Is that for want of distrust on your part or indisposition to do the work?—A. More indisposition than anything else. When I am satisfied that it is safe and well I am satisfied with it.

Q. How do you know it is safe?—A. I think it is with all the men we are using.

Mr. MILLER:

Q. I suppose you ran your business as a large corporation, with a part of the duties assigned to each man.—A. Yes; we have a superintendent and assistant superintendent, and then it goes clear down to messengers. We run a messenger on every coach. There are road-agents to every division of two hundred miles, and so it goes down.

Q. There is no one man who looks through all the minutia of the business?—A. My brother, the paymaster, is supposed to be the general man, to see that everything is done correctly, until it comes around into the office.

Q. He don't see to it here; Barlow sees to it all here?—A. Yes, sir; my brother is with me running the road. Barlow never was there, to my knowledge, but once or twice.

Q. Your business is to supply the stock on the road?—A. Yes; the running of the road, buying and selling stock, and seeing that the mails were properly carried.

Q. You employ Griffin. He is the treasurer of the concern?—A. He is virtually the treasurer or cashier. He keeps the books.

Q. When Mr. Barlow or yourself wants to know how the company stands you go to Mr. Griffin, not to look over the books, but to get the balance?—A. That is it. That is the way I do.

Q. You run it in about the shape that you would run a railroad, I suppose?—A. Well, I never run a railroad, but we are satisfied with the way in which it is run, and we are satisfied that it is done pretty correctly. We have done it since 1860, and we have lived through it just in that way.

By Mr. SLEMONS :

Q. You say that you have route-agents, traveling agents, and messengers ?—A. Yes, sir.

Q. Is that common on mail-routes ?—A. No, sir ; we are the only line in the United States that runs messengers on every coach. There is not another one, and never was, in the United States. We run a messenger on every coach. It is necessary for the reason that we run our own express, and consequently we have to run messengers to take care of that express, and the mails and the passengers. We are running over all that barren, wild country. It is not safe for drivers to go alone. A good many times we have no passengers, and we have to have somebody along for protection.

Q. I believe you said, in answer to a question, that Mr. Griffin was your confidential treasurer or factotum ?—A. Yes ; our cashier and confidential man.

Q. Who draws all this money ; does not Barlow handle all the money that belongs to concern except the passenger-receipts ?—A. Every dollar of it.

Q. Then Griffin is not the treasurer, but Mr. Barlow is ?—A. You may call it as you choose. Mr. Barlow draws the money here, and whenever we want to settle up the balance of the quarter, and we settle every quarter—the road being cleaned every quarter—Griffin draws on him for what is supposed to clean up that route, that is to settle the balance of the road—what debts may be incurred that the passenger and express money do not pay.

Q. Do you know how much it took to pay the expenses for any given year ?—A. No, sir ; I never did.

Q. You do not know anything about it then ?—A. No, sir.

Q. Only that you got a contract, and that is going on still ?—A. Yes, sir.

Q. But it is a money-making business ?—A. Well, not very much.

Q. You do not know how much it is making, do you ?—A. No, sir ; I do not ; nor there is not a man in the United States who knows, and you cannot tell. We are stocking new roads to-day, and building roads and going into new countries every day, and it takes about what money we get to go in there, and build these roads and stock them. Railroads this spring run us off three hundred miles.

Q. You do not know whether you are making or losing money ?—A. We do not suppose that we are losing, because we have enough to build these new roads and stock them, and it is out of the company's money.

By Mr. LUTTRELL :

Q. Did I understand you to say that Mr. Barlow never stated to you the condition of affairs and the amount of money that he paid out here ?—A. He never did in his life.

Q. I find here that Mr. Barlow testifies : “ Q. Who were the partners that you settled with and where did you have the settlement ?—A. Well, about such matters they always left the matter to me, and I told them what I had paid out and they were satisfied with it.

Q. Where did that settlement occur ?—A. Here. Q. Who were the parties present at the settlement ?—A. Mr. Sanderson, and I think Mr. Huntley.” Were you ever here present at any settlement ?—A. Now you are striking another road. You are off from Barlow and Sanderson. You are striking Barlow, Sanderson, Parker, and Huntley.

Q. Have you ever had any settlement here in Washington with Mr. Barlow of any kind ?—A. With these partners we have.

Q. Did Mr. Barlow then or at any other time ever tell you that he had paid out large sums of money here for the purpose of greasing or having favors granted in the Department ?—A. I do not recollect that he ever did. Still he might. I do not say that he did not. This strikes another concern altogether, and he might have made that statement when we were all together ; I might have heard it and might not have paid any attention to it.

By Mr. CANNON :

Q. Have you any recollection of his saying it to you ?—A. No, sir ; I have no recollection of it.

By Mr. LUTTRELL :

Q. The question was put to him [Barlow] by the chairman, “ You told him (Sanderson) all about this.—A. No, sir ; I never told him all about it. I told him I had paid out so much money.” Did Mr. Barlow at any time, here or elsewhere, ever tell you that he had paid money to Farrar, McKibben, or to any other person to aid in having legislation done, or suppressing testimony, or to have favors in the Department to forward or to advance your interest in mail-contracts ?—A. I have no recollection of ever hearing such a thing.

Q. Have you any recollection of Mr. Barlow ever stating to you that he paid out any sum of money whatever to advance the interest of Huntley, Barlow & Sanderson, or of any one of the firm ?—A. I have no recollection of it.

Q. Have you ever heard from Mr. Barlow, or any other person, that large sums of money had been used to secure legislation, to suppress testimony, or to advance your interest in the way of mail-contracts with the Government ?—A. No, sir.

Q. You have never read or heard anything of that kind ?—A. I read it in his testimony. That is the first I knew about it.

Q. Did you never hear of it before ?—A. No, sir. He might have been talking of some such thing, but I never heard it, in the room where the rest of the partners were. These things that were done in Washington never bothered me.

Q. You did not know, then, that charges were made that money had been used and was being used to advance the interest of mail-contracts?—A. No, sir.

Q. You have never read it in the public prints?—A. No, sir; I read but very little.

Q. Did you know anything of the investigations that were going on in 1872?—A. Not a bit of it.

Q. Did you ever hear of it?—A. I knew it was going on—at least I supposed it was—here, the same as I heard that this one was going on; but I never asked questions about it or knew anything about it, nor paid any attention to it.

Q. Did you never ask Barlow, when you were making this settlement with him in Washington, or any of the firm, what that investigation amounted to?—A. No, sir.

Q. You never felt interested enough to inquire into it?—A. No, sir; I did not care anything about it. I did not think of it. I trusted Mr. Barlow entirely.

Q. You did not take interest sufficient to inquire whether it was your business or not?—A. Not a bit, sir.

By Mr. CANNON :

Q. I understood you to say that you had read in some newspaper what purported to be Mr. Barlow's evidence before the committee?—A. I did.

Q. Do you recollect that you saw a report of it which made Mr. Barlow state that he had paid money to any post-office official, or anybody in the Post-Office Department?—A. I cannot tell you what I read in it. I merely read that he had paid out a big pile of money, but I could not say what it was.

Q. You do not know what the printed statement is that you may have seen; but in fact Mr. Barlow expressly stated that he never did pay a cent or give a present to any post-office official whatever, of any grade, but that the money that he did pay was to one W. H. Farrar. You read that statement hastily.—A. I recollect that I read of his paying money to one Farrar.

Q. Did you know who Farrar was?—A. I never saw the man in my life, and I don't know him.

Q. You do not know whether he was in the Post-Office Department or out of it?—A. No, sir; I do not.

Q. You do not know what his business was?—A. I do not; I never saw him.

By Mr. SLEMONS :

Q. Do you know what paper you saw that in?—A. I think it was the Saint Louis Democrat.

Q. Do you know when it was?—A. It strikes me it was the 21st. I think his testimony appeared in the paper of the 21st; in the Globe-Democrat.

Q. What did it say?—A. Just as we have been speaking about it.

Q. That he paid out \$40,000, or had not paid it out?—A. I do not recollect the amount.

Q. You do not recollect what he did say?—A. I could not recite it, of course. I say I recollect his saying that he paid \$40,000 to one Farrar.

Q. Do you live in Saint Louis?—A. Yes, sir.

Q. You do not read the papers, though?—A. Yes; I read the morning papers generally when I am at home.

Q. You saw but little of these newspaper reports of the inquiry going on here a year or two ago about the post-office, the trial of Kittle?—A. I never saw a piece about it, I do not think; I never paid any attention to it.

By Mr. LUTTRELL :

Q. Are you acquainted with any officials of the Post-Office Department?—A. Yes, sir; I know a few of them.

Q. Did you know Mr. Brown, in the contract-office?—A. I did.

Q. Were you well acquainted with him?—A. Yes; you might say so. I was whenever I was here, I was not here much. I used to see him.

Q. How long have you known him?—A. I have known him perhaps since he has been in the office, although I do not recollect exactly about that.

Q. Did you ever have any business relations with him?—A. Not a particle; not a dollar's worth.

Q. Did you ever have any conversation with him about your routes or lines?—A. Not a bit.

Q. Were you aware that Mr. Barlow had attorneys employed here for your company?—A. I did not know whether he had or not; I do not know that he had any; I never asked him about it, and he never told me.

Q. Did you ever know whether any fines had been entered up against your company or not, for failure to comply with your contracts?—A. No, sir; I never paid any attention to the fines here, or whether there were any or not, until I have come here this time. When I was subpoenaed here three or four weeks ago I found out that there were some fines against us, and this time I have found out that there were more fines; that is the first time I have ever heard of any or thought of it. I should not have thought of it if I had not been here, and would not have known anything about it probably.

By Mr. SLEMONS :

Q. Did you ever make any written statement to the Department to try to explain those fines assessed against the company?—A. We never have until I was here before. They had some fines entered. I knew what was the cost of them, and when I went back this time I got the postmaster to certify why it was done, and he wrote on some letters here to Mr. Tyner, explaining why it happened. I told the postmaster at the end of the route that we were fined, and that I wished he would make a statement, which he did.

By Mr. LUTTRELL :

Q. Do I understand you to say that you heard nothing of the charges preferred against your company, and the transactions which they had in the Post-Office Department here in Washington, 1872, by McKibben and others?—A. I knew nothing about it; I never heard anything about it, and paid no attention to it. I do not know that I was here; I do not think I was, but still I would not say that I was not.

By Mr. MILLER :

Q. What business were you engaged in before you entered into the firm of Barlow & Sanderson?—A. I have been staging all the days of my life, since I came to maturity.

Q. Were you acquainted with Barlow before?—A. Yes; I have always been acquainted with him.

Q. Had Mr. Barlow been a stage-man?—A. No, sir.

Q. You picked him out as a good business man?—A. I am the man who started him *into* it; not *in* it, understand me.

Q. I judge from what you said about the division, or your duties, that you were the practical man to look after the staging and the running of the stages on the road?—A. That was just my part of it, exactly.

Q. You thought you were a good judge of horses?—A. I did; I have always held so. I have dealt in them a great deal.

Q. That part of it you attended to?—A. Yes; I did, thoroughly.

Q. You do not call yourself a good book-keeper?—A. No, sir, I never saw the inside of a school-house after I was twelve years old.

Q. You are the horse and stage man?—A. Yes.

Q. And Barlow is the business man?—A. Mr. Barlow is the business man of the concern. We started out there with Barlow as the man who should do the financial work, and Sanderson to take care of the stock.

Q. And he employs skilled book-keepers when you want them?—A. Yes; although I believe I picked out Griffin; he was receipting agent for us. He was a good man, and used to be in the express business for the United States. I thought he was a very competent man, and employed him, and he has been with us ever since, until he lost his health a year ago.

By Mr. CANNON :

Q. I understood you, also, that you had every confidence in the ability and fidelity of Mr. Barlow?—A. Yes; the utmost confidence in the world.

Q. And he had every confidence in you, in your department?—A. Well, he said that he had.

Q. He always has acted in that way, has he?—A. Yes, sir. You appear to think it very strange that I do not know. I have the utmost confidence in Mr. Barlow, and I never should ask a question; he does the same with me, and never has asked me a question about our business out there, as to the running of the roads, in any way, shape, or form, and I think it would be very small in me to catechise him very closely.

WASHINGTON, April 3, 1876.

GEORGE W. PASCHAL sworn and examined.

By the CHAIRMAN :

Q. This committee were examining into Mr. Sawyer's business as mail contractor, and as it appears that you were his attorney in other business relations with him, and we wish to examine you to see if we can get any information in regard to the expenditures that were made by Mr. Sawyer in Washington. His books were examined by the committee and a witness, and it appears by those books that quite large amounts of money were paid to a number of individuals in Washington, yourself among others as an attorney, and we desire any information that you have in connection with his business in regard to the payment of this money, and the purposes for which it was used?—A. My relations with Mr. Sawyer and his partners commenced back in Texas, many years ago, before the war, and during the war and after the war they were a firm doing very large business in carrying mails in Texas.

Mr. Sawyer came here after the war with his family, and about that time I came to Washington on business, and was his adviser from that until his death, I think, in regard to a

great deal of his business. The relations which were formed after he dissolved with Racer and Hall were these: He had become a merchant in connection with a cotton-house in Galveston, and failed in that business. He had to go through bankruptcy. I prepared his papers and carried him through that. He then formed a partnership, known as Sawyer & Ficklin. At the time it was formed Mr. Sawyer had no route except one that the other members of his firm had declined to take; that was the route from San Antonio to El Paso, weekly. They employed me to prepare the partnership contract, and do whatever I could in respect to that. Their object was to increase the time on that route, to increase the speed, and to increase the quantity of matter, and it was so worked that they got the time shortened from El Paso to San Antonio, and the service increased to tri-weekly. Then they were anxious that what was called the old Saint Louis and San Francisco route should be re-established from Fort Smith to Concho, and the military authorities petitioned for it. I aided them as an attorney in getting that route re-established. That was the connecting line between Fort Smith and Concho. That was added to the route from San Antonio to El Paso in the fall. I rendered them various services for some three years; the statements that I have seen in the books and in evidence as to what I was paid were substantially correct, with this difference, that I rendered my bill for the amount of \$17,000 and some hundred dollars; but when Mr. Creswell came into the Department, it was perhaps to reduce the service upon all these routes from San Antonio to Fort Smith and El Paso, and from Fort Smith to El Concho. I was unable to resist that. I argued against it before the Postmaster-General and both his assistants, but he reduced it one-third, and finally in the settlement of my bill I took off \$3,300 for that; so that I was paid \$17,000, less \$3,300, for services through those years, but they were connected with a great deal else besides the mere mail matters. Mr. Sawyer was at my office every day, and Mr. Ficklin almost every day when in town, and as to the other moneys that I saw on the books charged up, I have no personal knowledge how that went.

Q. Was the money that was paid you for your services as his attorney, or was any of it paid to you to be used in any other way?—A. Not a dollar of it in any other way. That was for myself; and while at the time I thought I was fairly paid, when I saw how others were paid, I felt as Warren Hastings did, who, when he considered his opportunities, was surprised at his own moderation. I charged those fees not really for any influence, for I had none beyond that of a lawyer, nor for any relations that I had with any official in any way, but for services in the various matters that were up.

Q. Services in presenting his side of the case to the Department?—A. Yes, sir; and I did employ my address, that was all I could say, with the military authorities, to get them to petition for these routes. I was also at the time attorney for the Choctaw and Chickasaw Nation, employed by the delegation, and they were clamoring for the mails agreed to be furnished them under the treaty of 1866, which had not been done. I made that a point in the argument—that those mails had to be furnished them; and as part of that service it was considered a wise measure to put the mail on from Fort Smith to Concho. That was part of the argument that I used in behalf of those people, and it was carried through in that way. Mr. Randall was the Postmaster-General at the time. Mr. Randall put it on tri-weekly and very fast. Mr. Creswell reduced the time one trip a week, and I think he reduced the speed; but at any rate it was very injurious to them. It took more than \$100,000 off their annual receipts. There were parties at El Paso who tried to work themselves in as partners; they were very clamorous, and they brought charges against the service; and part of my labor was in reference to that. They said it was not well performed, and that the contractors had not built hotels on the road, and had not furnished accommodations to passengers; and there was a great deal of labor in resisting those charges.

Q. What were the reasons given by the Postmaster-General why he would not continue the service?—A. That it was too expensive; and he reduced it from three times to twice a week, and reduced the speed somewhat. That is my information. I might add that, as a sort of consideration for that reduction, he gave them a branch running up into the Indian country, from Fort Sill to Jacksborough or Sherman, I believe. They were given that at private contract as a sort of palliation for the reduction on the other road.

Q. Did that remain so, or was it increased or diminished during the remainder of his term?—A. I don't think there was any increase; it remained as it was, semi-weekly, and Mr. Sawyer remained the mail-carrier over those routes until shortly before his death. There were new bids, and he carried one year on temporary service, owing to the persons below him not complying with their bids.

Q. It appears from the statement of witnesses, and from the books of Mr. Sawyer, that large amounts of money were paid out at Washington to various persons; have you any knowledge of that?—A. Personal knowledge beyond what I see in the books I have none. I may say, however, that although Mr. Sawyer was my client and I was his confidential adviser, (his death-letter requested his wife to retain me as her adviser,) yet he never gave me any details. I don't know that conversations would be of any value, but there were some conversations pointing to the fact that he was blackmailed—remarks were made that led me to believe that he was being blackmailed and that he could not keep his service without paying money. I can only say in connection with that, that when the first investigation was had of some of these mail-routes in California, a gentleman who has been a witness here called on me and

obtained from me an opinion. The point in that opinion was as to whether to have bought off lower bidders was a criminal act or not. By the law at that time, it was not. That gentleman was introduced to me by Mr. Sawyer. Mr. Sawyer told me at that time (the investigation of 1872) that he had no interest in the subject at all. In the second investigation I was employed not by Mr. Sawyer alone, but by a good many. The law I refer to was a clause in an appropriation bill, and I said that its proper caption would have been a law to give mail service to the highest bidder. That seemed to be the spirit of the law, to let the lower bidders get out of the way for whatever consideration they could get and let the highest man take the service. That was the first effort made at that sort of legislation. Giving that opinion was all that I had to do with the first investigation. In the second investigation I was employed by Barlow & Sanderson, and the Huntleys, to attend to the examination of the witnesses that should be brought forward at that time, which I did. I attended at every meeting of the committee, and examined some of the witnesses. At that time Mr. Sawyer indicated some of the witnesses as men that he preferred should not be examined as to whether they had got money from the contractors. He was not a profane man, and his words were, "Drat them! I never gave them any money, but I was obliged to lend them money to get my accounts through, and they have not paid, and I don't know that they ever intend to." That was said in reference to some of the officials in the Post-Office Department. Those parties were examined, some of them, and some were not. No one asked them any questions about whether they had levied on any one or not.

(Upon consultation the committee decided to receive Mr. Paschal's statement of Sawyer's remarks in detail about the persons above referred to, with closed doors, and that portion of his testimony was transcribed separately by the stenographer, and given to the committee. The open examination proceeded as follows:)

By the CHAIRMAN:

Q. I notice in the account that Mr. Taylor gives from the books, that there are large amounts of money from \$1,000 up to \$3,000 at a time paid to Thomas Hood; state if you are acquainted with Mr. Hood; who is he?—A. He is now the auditor of the supreme court of the District of Columbia, appointed on the death of the previous auditor, some year or so ago. Prior to that time I only knew him as seeing him coming from his boarding-house, and a few times calling at my office for opinions on some land subject, but in connection with Mr. Sawyer's business, Mr. Sawyer had never mentioned his name to me, at any time, I am very confident.

Q. Was he an attorney at law, practicing in the courts?—A. He was not practicing in our courts. I think he is a lawyer by profession.

Q. Have you any knowledge of any legal business that would arise in Sawyer's affairs, from your acquaintance with him and his business, that would make it necessary for him to pay fees to such a large amount for legal information to Hood?—A. I have not; and I did not suppose that Mr. Sawyer was consulting any other gentleman than myself in regard to legal business.

Q. Are you satisfied that there were no cases in court and no public business of Mr. Sawyer's before the Departments that Hood was employed in?—A. There were none in court; that is certain. The only cases in court were those that I either brought or defended.

Q. Did you ever meet Hood in the Departments when you were there prosecuting Sawyer's business?—A. No, sir.

Q. And never heard of him as such?—A. No.

Q. Now have you any information, as Sawyer's confidential attorney and business man, who these amounts marked on his books as paid to "H." were paid to?—A. No; I have not.

Q. Who is indicated by that letter of his name?—A. I don't know anything about anything of the kind.

Q. There is here a number of items on his books charged also as paid on account of El Paso line?—A. Well the El Paso line, as I have said, was from San Antonio to El Paso, about eight hundred miles. Afterwards we got added to it from Fort Smith to Concho where the intersecting point came, and in the divisions (he had four divisions, I think, in the geographical arrangement of his mails) all that was called the El Paso line, and it went under the name of the El Paso Company. Whatever was paid on that line was either paid in the fight about the suppression of service or something of that kind, I don't know what.

Q. Has Mrs. Sawyer the return checks of these settlements from the bank?—A. I think so, so far as the books show.

By the CHAIRMAN:

Q. I notice also amounts paid to Dent & Page, \$1,000, April 13, 1869; and then April 13, a thousand dollars on account of line, and then April 13, \$2,500. You don't know who they are?—A. It was Judge Dent, and Page, his law-partner at the time here.

Q. Judge Dent of the Court of Claims?—A. No; he was a brother-in-law of General Grant, and Mr. Page was his partner. Judge Dent is dead. I don't know where Page is; I am inclined to think he is in New York.

Q. Do you know of their being connected with any business of Sawyer's?—A. None at all in connection with Sawyer's affairs. I did not know that they were employed.

Q. I notice in October 19, 1869, George W. Clark?—A. I do not know him.

Q. Then \$500, December 13, to William T. Clark.—A. He was a member of Congress from Texas. He was in two Congresses. He was turned out of one for not having votes enough. He came in at the time Texas was admitted, March, 1870, and held for the remainder of that Congress, and then he came in as the certified candidate and spent three or four months in Congress before he was superseded by Mr. Giddings.

Q. This was on the 13th of December, 1869?—A. That was after Mr. Clarke was elected, but before he took his seat.

Q. He would take his seat in December?—A. No, it was the 28th of March that Texas was admitted.

Q. I understand you to say that you don't know who these Johnson's attorneys were?—A. No, I can't imagine. There were old bankers here of that name, and Mr. Sawyer did business with them in the way of keeping accounts there.

Q. There is an amount paid October 9, 1870, to B. F. Wilkins, \$1,000.—A. I don't know who he is.

Q. Have you any facts, within your knowledge, in relation to Sawyer buying off any of the mail-contractors under him?—A. I have no personal knowledge of anything of the kind.

Q. You have no knowledge derived from facts, then?—A. No; I cannot say that I have. One gentleman has called on me, as attorney of the estate, since, claiming that he had performed a service of that kind, and wanting to be paid for that service, but I did not recognize the justice of his claim, and the matter was dropped. I ought to state, in justice to myself, that Ficklin and Sawyer were sued for damages in Kansas, and there were pretty heavy verdicts against them. One was on a default. I attended to preparing their papers, corresponding with their attorneys, getting up the appeals, and getting the case opened, and also to the final settlement, and that all went into the settlement for the three years' services. I attended to their law business, as I understood.

Q. All the money you received from Sawyer was fees as his attorney?—A. Yes, sir; fees as his attorney, and I think well earned.

Q. Are there any facts in your knowledge implicating any officer in the Post-Office Department in any questionable transaction?—A. I have none. What I said awhile ago was only hearsay, of course. I have no knowledge of any fact there, yet when I found the situation of Mr. Sawyer's estate after his death, I felt conscious that something of that kind must have happened. Very large sums were gone; but had I been asked a week before his death whether I regarded him as a wealthy man I should have said that he was, in the estimation that I had of men in that class of business, and I was as much surprised as anybody else to find that it was not so.

By Mr. McMAHON :

Q. State what you did find to be the condition of his estate.—A. I found his estate to be very greatly embarrassed, and it cannot possibly be solvent.

Q. State now whether his mail-contracts were large and profitable.—A. His mail-contracts for several years averaged \$100,000 a quarter, receipts. One year it was over \$500,000, and once or twice it fell below \$400,000, but it averaged at least \$100,000 a quarter, and I suppose it was a reasonably profitable business, or quite a profitable one. He was a man who had grown up to the business, a man of great experience and great ability in such matters. He never in his life had been wrong in his account in the Post-Office Department that I ever heard of, for nearly forty years.

Q. Was he engaged in any outside speculations that you know of?—A. Yes, some.

Q. What were they?—A. Well, I have to speak of my own weakness there. Sawyer and myself bought out a two-thirds interest in Ambler's train-brake, a patent-right, and we lost some \$4,000 apiece in that. The brake is a good one, but it does not sell. He told me that he had purchased and paid for a lifting-jack, a jack-screw, as we used to call them. He was out some \$2,500 there, and I did not see much chance of his getting that back, though the jack seemed to be a good one. Then he went into another speculation, purchasing a rocking-chair, a railroad-chair of some kind. I do not know what he gave for that and I cannot say what he lost on it. He bought the Arlington brewery in this city, for which he paid \$12,000, subject to a mortgage; that mortgage is not paid off yet, and I am satisfied that that was a leak. He did not understand making ale, and I am satisfied from the books since the death of Mr. Sawyer that there was something sunk in that establishment. He took the contract for removing the night-soil out of the city at \$20,000 per annum. I prepared the papers and everything. I had a great deal to do with it. I am satisfied that he made money, but they took the contract away from him, and let it out to somebody else, the city authorities or the Board of Health, so that the money he had invested in carrying on the business, and which was a dead loss when the contract was taken from him, ate up all the profits that he had made while the contract lasted. These are as far as I know all his outside business.

By Mr. MILLER :

Q. Did that at all account for the smallness of his estate after his death?—A. O, no; I thought Mr. Sawyer ought to have been a rich man after that, and that his losses could not

By Mr. CANNON :

Q. In 1867?—A. I think in 1868; either at the end of 1867, or the beginning of 1868.

Q. Did they turn round and invest those profits in stocking up those large mail-routes ?—
A. No ; I am speaking now of what these gentlemen made.

Q. And Sawyer bought it out?—A. Sawyer bought it out.

Q. Do you know whether he paid for it?—A. He paid \$40,000 for Ben. Ficklin's share.

Q. Did you have that accurate, careful knowledge of his business which would enable you to know whether he had this money himself without indebtedness to other parties, to pay for this stock?—A. I knew part of it was paid, from the fact that Ben. Ficklin had drawn \$60,000 more from the firm than Sawyer—I had that accurate knowledge.

Q. Do I understand that you had an accurate knowledge of Sawyer's indebtedness to A, B, C, and D, at that time at Baltimore, Philadelphia, in Texas, and elsewhere?—A. No, sir.

Q. Did you not know whether he owed five, ten, or one thousand dollars at that time?—
A. He owed a great deal of money at that time.

Q. I find an entry of this kind, made under the head of "Friday, January 2, 1869," I believe in Sawyer's handwriting—that is Sawyer's handwriting, is it not?—A. Yes, sir.

Q. [Reading.] "Received of S. W. F., Charlottesville, \$10,000, less discount $2\frac{1}{2}$ per cent. interest, and \$25 to Flannigan, in all \$309." It would appear from that that he had allowed interest paid and \$25 as a bonus to Flannigan, and the amount actually received was \$9,691 above, on account of B. F. Ficklin.—A. Personally, I know nothing of that; I know that Flannigan was cashier of a bank at Charlottesville, and I suppose that paper was negotiated there.

Q. Now, I find under the head of "Monday, January 25, 1869," in the same writing:

"Paid for B. F. Ficklin to Judge Paschal	\$1, 000
" " blk. mail.....	1, 000
"To Dent & Page, services.....	1, 000'

Can you throw any light upon that entry of \$1,000?—A. Mr. Sawyer must about that time have paid me as much as \$1,000, something of that sort. The black-mail entry I think I can explain. In getting that route from Fort Smith, Ark., to Concho, in Texas—in getting that long route, there were parties in Arkansas who put in a claim that they wanted it for an Arkansas contractor, and they wanted him to give them something not to bring forward that contractor to compete.

Q. Wanted Sawyer to give something to the Arkansas contractor?—A. Yes, sir.

Q. If he would lay off and not bid against Sawyer?—A. Yes, sir; not compete; that entry, I would say, had reference to that; that he would have called that black-mail, of course, I merely infer from the memorandum about the \$1,000.

Q. Then your explanation of that entry made at that time by Mr. Sawyer, which I have called your attention to, is that the \$1,000 of black-mail was not paid to you as black-mail at all, nor to any officer in the Department?—A. There is an entry on my cash-book of this

sort: that I paid for Mr. Sawyer \$1,000 on one day, and he returned it on the next. I paid it to some of those parties in Arkansas, under some instruction of his.

Q. But what I want to get at is this, that the black-mail item there, that would appear as if paid to you, did not go to you as black-mail?—A. No, sir; I don't know anything about that.

Q. Nor did it go to any officer of the Department as black-mail?—A. O, no.

Q. But your recollection is that that \$1,000 went to some contractor, who it was desired should not bid against him?—A. Yes, sir; and a party who represented himself as representing Mr. Chidester, the mail-contractor in Arkansas, wanted some money to prevent him going on that route, I was instructed to pay it, and it was returned to him. I made no entry of it in my book.

Q. The Dent and Page services, which is the next item, of \$1,000—have you any knowledge of that?—A. None in the world. I never heard of it before. That other thousand explains an entry of mine that I hardly understood myself.

Q. "Wednesday, February 3, 1869, paid Ficklin draft of January 7, \$4,000;" have you any knowledge of that?—A. No; but I know Ficklin was a partner in Texas.

Q. Which Ficklin was that mentioned in this entry?—A. I don't know.

Q. I find entries here in reference to Slaughter Ficklin.—A. Yes, sir; he bought Slaughter's stock.

Q. I find entries of this kind: "February 10, 1869; Ficklin account, collected on all of Bates's routes on Austin, \$10,426.66; discount 1 per cent." Do you know anything about that item?—A. No; I do not. I can explain why Bates's name intervenes. The route from San Antonio to El Paso was bid off by Bates, who is a brother-in-law of Sawyer, but bid off in the interest of Sawyer, Risher & Hall, but Hall & Risher declined to accept the route, and Sawyer ran it by a power of attorney in the name of Bates, but in fact for the interest of Sawyer & Ben. Ficklin. The 1 per cent. I take it means this—if you will allow my knowledge of business to come in: Ficklin would have drawn that draft upon Sawyer at Austin, and he would have had to pay a per cent. to get the money there; hence it is charged to Ben. Ficklin.

Q. I find under date of Wednesday, February 17, 1869: "Paid for Ficklin his draft January 14, \$5,000; Hood's draft, \$1,900." Do you know what Hood's draft was for; whether for borrowed money or for a bid on some mail-route that was purchased?—A. I never heard of there being any route purchased at those dates. The money paid Ficklin would naturally be in the course of Ficklin's draft. Hood I did not know then, and would not know anything about that matter.

Q. I find under the head of Thursday, February 25, 1869: "Paid for Ficklin Ths. H.'s draft, \$3,200." Do you know whether that was for borrowed money, or what it was for?—A. No; I do not: I have no idea.

Q. I find under head of Wednesday, February 3, 1869: "Paid Ficklin Hood's draft dated January 10, \$2,000."—A. I do not know anything of it. I believe all these have been transferred into the ledger.

Q. I find under the head of Saturday, April 3, 1869: "Received for Ficklin at national bank, on power of attorney, \$5,940, El Paso line," and "Paid for B. Ficklin, Ths. H. draft, \$2,000." Do you know anything of that?—A. No; I know he was in the habit of getting money out of the First National Bank here, by giving drafts on the Post-Office Department.

Q. Do you know whether this man Hood had transactions with B. Ficklin—many of these entries appearing to be made on Ficklin's account in some transaction with Hood?—A. I do not know, really.

Q. Under the head of Monday, April 5, 1869: "Paid Judge Paschal for B. Ficklin, \$1,000.—A. I think I remember getting that \$1,000; I rented a house at that time.

Q. How did you get it on Ficklin's account?—A. This line was run by Ficklin & Sawyer, under the name of Ben. Ficklin.

Q. I also find an entry in it, "Tibbits, \$1,000," at that same time.—A. He was presenting himself as the representative of Chidester, and there was some money claimed, because Chidester had stood back and not interfered with the getting of the Fort Smith and Concho routes; Tibbits was the man's name. He was a lawyer and a judge in Arkansas; I think at present he is practicing in Kentucky.

Q. Then I understand these payments to Tibbits was part of the money that Sawyer & Ficklin agreed to pay to Chidester, or somebody representing Chidester, and Tibbits was representing him at that time?—A. Yes, sir.

Q. What amount of money was to be paid Chidester to keep him off from bidding upon that route?—A. My recollection is that this man Tibbits, who represented Chidester, claimed that there was to be about four or five thousand dollars paid in all. Whether Chidester knew anything about it or not—I had very serious doubts as to whether he did know anything about it.

Q. But the money was paid?—A. I think the whole \$5,000 was paid. I know Tibbits talked it over with me, and that is how I got to understand it.

Q. Under the head of Tuesday, April 13, 1869, I find: "Paid Dent & Page, for Ficklin, \$1,000.—A. I cannot explain that. I do not know what use he could have made of them. They were advertising as lawyers here.

Q. Sunday, April 18, 1869, I find: "Paid, for B. F. Ficklin, Thomas Hood's draft, \$1,000."
—A. I cannot explain that. I do not understand what Hood that is.

Q. Many of these notes that I am asking you about do not appear in the items that Mr. Taylor gave us in his evidence the other day.—A. I had supposed they had all been posted.

Q. He did not speak of all the items; he only spoke of certain items that were in the expense-account. There are many more of these entries here than appeared in his evidence; you cannot explain every one of them?—A. No, sir; only those that I have spoken of.

Q. Do you know E. A. Abbott?—A. O, yes; E. A. Abbott is of the firm of Abbott, Downing & Co., stage manufacturers at Concord. He has been a banker, and was Mr. Sawyer's Boston banker at the time of his death, and he had very heavy transactions with them in the way of money and other things.

Q. I find under date of September 18, 1869: "Sent E. A. Abbott post-office draft for two quarters, \$45,000."—A. That would be in this way: Mr. Abbott explained that in a lawsuit he had here the other day. These were drafts on the Post-Office Department. A contractor who is carrying the mail has the right to give a draft on his pay. They do not accept it at the Post-Office Department, but note it and file it, and the party in whose favor it is gets the money whenever the account is settled for the quarter on which it is drawn. Abbott was a banker in Boston, and that is exactly of the character of many later transactions; when Abbott would make advances, Sawyer would send his advances on and after ward draw on him for the amount of money.

Q. Was Abbott advancing money, or selling coaches or things of that kind to Sawyer?—A. He was doing both. He sold them coaches and loaned them money.

Q. Do you recollect the amount of the transactions in these different years?—A. They ran very heavy of late dates.

Q. Up to \$100,000?—A. Yes, sir.

Q. Do you recollect how much money he paid for coaches?—A. Pretty heavy. I know nothing accurate about it at that time; but the drafts drawn by Sawyer in favor of Abbott, Downing & Co. would be drawn upon Abbott, and Abbott would collect the money from the Post-Office Department here.

Q. According to your best recollection, how large were the transactions, how many hundred thousand dollars passed between Sawyer and Abbott?—A. Well, I should say, from the time that you mentioned there down, that it amounted to more than \$200,000 which passed through Abbott's hands.

Q. I find under the head of Sunday, April 25, 1869: "Paid Judge Paschal \$250, on account of El Paso mail.—A. That was for services rendered in connection with the El Paso mail.

Q. I find in one of the items in this account that Mr. Taylor testified to a watch, \$250 or \$275, to Hood on account of El Paso mail; was that the same mail?—A. The same mail.

Q. That might mean a very improper item, or it may mean a very proper item; don't you know?—A. It was proper.

Q. I am speaking of the watch to Mr. Hood?—A. It might be; I know nothing of it.

Q. Then the fact of his having entered in that way "one watch to T. Hood on account of El Paso mail"—A. It would be either that Hood was an employé on the route and was paid, or Hood was an attorney, as his expense-account would indicate the individual to whom the watch was given.

Q. That item is no more improper than, for instance, this item that he charges up to you?—A. None; except that I didn't know Hood as a lawyer.

Q. Now, I find under the head of May 4, 1869: "Paid B. Ficklin, Thomas Hood, \$1,000; Tibbitts, \$1,500; Ficklin's expense, \$500;" do you know anything about those items other than you have explained before?—A. Nothing further.

Q. Do you know Price, Hine, and Tupper?—A. Mr. Sawyer had a partner by the name of Price in some of the mail-routes—water-routes from Corpus Christi to Indianola—and in some other business, and this is the same, I imagine.

Q. Sawyer had water-routes as well as land-routes?—A. Yes, sir.

Q. He had different partners on these routes from those on his land-routes?—A. Yes, sir.

Q. He earned large sums on these water-routes?—A. I think it was a good-paying contract. He paid \$2,000 for two schooners in this city. The schooners were wrecked since, in that gale they had down there. John B. Price was his name, and I think this must be the same man.

Q. Did you have anything to do with the settlement of the accounts from year to year, so that you could say whether he lost largely or made largely in the water-service?—A. I settled with Price since Sawyer's death, and went over the accounts. The details I do not remember, but the ships being lost, without insurance, destroyed the profits. I think Price gave us six or seven hundred dollars for what remained.

Q. I find an entry under the head of Friday, March 14, 1869: "Paid Diffenderfer draft on B. F. Ficklin, and accepted by Fickling, \$7,324." Do you know what that money was for?—A. I do not. Diffenderfer was a wealthy merchant at El Paso, and, I suppose, furnished Ficklin the money at that end of the route.

Q. You do not know what it was for?—A. No, sir.

Q. I find this entry: "Sunday morning, March 16, 1869; paid for B. F. Ficklin, \$4,000,

one S. W. Ficklin's security; bank keeps the draft." Do you know anything about that?—A. I do not know that transaction, but I know Slaughter Ficklin sometimes furnished the money.

Q. Monday, May 17, 1869: "Paid to B. F. Ficklin, \$10,000, S. W. Ficklin, security; bank keeps the draft." Do you know anything about that?—A. No, sir; I only know that they negotiated through Slaughter Ficklin sometimes for assistance. Slaughter was then regarded as a wealthy man.

Q. Monday, March 24, 1869: "Paid for Ficklin, Williams's draft, \$10,000." Do you know anything about that?—A. No, sir; there was a Williams at San Antonio; that may have been the man; I don't know.

Q. I find under the head of Tuesday, May 25, 1869: "Paid on account of Ficklin to Judge Paschal, \$1,000?"—A. It is very likely that he gave it to me.

Q. Do you know a man by the name of Armstrong?—A. Yes, sir.

Q. Who is he?—A. He was the superintendent, for a time, of one of the divisions in Texas, and afterwards a partner. I had a great deal to do with him.

Q. I find under the head of Tuesday, June 1, 1869: "Paid Ficklin's private draft, Baltimore, \$3,000." Do you know anything about that?—A. I do not know that transaction further than that Ficklin had some private debts there. That would have been a personal charge against Ficklin.

Q. I find, Saturday, June 19, 1869: "Paid for Ficklin, Williams's draft, \$10,000, of May 25?"—A. Well, I presume that is of the same character; that the money was got in the West, probably San Antonio.

Q. You do not know anything about that?—A. I don't know anything personally about that.

Q. I find under the head of June 22, 1869: "Paid Ficklin's private draft, Baltimore, \$2,000?"—A. Yes, sir; that I know. Ficklin, as I said a while ago, drew out \$60,000 more than Sawyer when they came to settle. He was in debt when the war closed, and did not go into bankruptcy, and had to pay a great deal of money.

Q. I find under the head of Friday, June 25, 1869: "Borrowed of Gregory for sixty days \$4,000, on Ficklin's account; paid exchange on above, \$200." That would be between 2 and 3 per cent. a month interest, would it not?—A. It would be a little over two per cent. a month; "exchange" would cover the usury, I suppose.

Q. This man Sawyer was not a close, methodical business-man?—A. O, no; he was a man of remarkable memory, and kept some things like that in his books; but he was not a methodical man.

Q. This man Johnson, attorney, that is mentioned—it is not specified whether he was attorney in fact or attorney at law?—A. I know nothing of any operations of Mr. Sawyer with anybody of the name of Johnson, excepting Lewis Johnson & Co., bankers here, with whom he kept his accounts for some time.

Q. Was that the same firm as Lewis, Dowling & Co.?—A. O, no, sir.

Q. Was there a firm of Lewis, Dowling & Co.?—A. I think it was Abbott, Downing & Co. It is now called the Abbott-Downing Co.; but Lewis Johnson & Co. are old bankers here. They had a great many cash transactions with Mr. Sawyer.

Q. I find under the head of Wednesday, August 4, 1869, this entry: "Sold mail-route, \$8,530, San Antonio to El Paso. Received at different times on Abbott's draft of \$45,000, \$40,000. The \$5,000 goes to Abbott & Co. on account. Gave Lewis, Downing & Co. power of attorney to collect the whole paid, and have up to this date received \$22,500." What do you know of Lewis, Downing & Co. in that case?—A. I had supposed it was Abbott, Downing & Co.; it must be the same firm—these Concord people—and Abbott is in Boston now. It is now an incorporated company, called the Abbott-Downing Co., but I take it it is the same transaction, and that it alludes to what you have seen previously there; he gave them powers of attorney to collect the mail-pay, and they accepted for him and furnished wagons and money.

Q. "August 6, 1869, paid Judge Paschal on account of El Paso mail-line, \$500; also \$30." That was for fees, was it?—A. O, yes; that was on account; I kept a running-account with them.

Q. Now, you spoke of this brewery here; Sawyer's son, I think, was in that, was he not?—A. He gave his property to his son after having run it a while.

Q. He did not understand how to run that very well, I believe you said?—A. O, no; they lost money in it.

Q. They lost money by running it?—A. By running it.

Q. Do you know what amount?—A. I don't know how much the loss was, but it was a considerable loss.

Q. How long did they run it?—A. They bought it, as I remember, in February, 1873, and they run it until Sawyer's death, and after that a short time.

Q. And lost money all the time?—A. I think it was a sinking business.

Q. What is the property worth now?—A. Well, the purchase-money was \$20,000. The real-estate men estimate the land worth \$10,000, to take the buildings away—the naked ground.

Q. It could not be sold, however, for that, could it?—A. No, I do not suppose it could.

The property was purchased in this way : Mr. Sawyer was to pay down \$2,000, and he gave two notes for \$5,000 each, and was to take up a mortgage on the property for the balance. After the purchase was made, when he came to pay off the first-mortgage note, he learned that the mortgage was larger than represented, on account of back interests unpaid, so they commenced suit against the parties to recover part of the money.

Q. Sunday, August 29, 1869: "El Paso mail-line, Thomas Hood, draft, \$1,200." Do you know anything about that?—A. I do not understand it.

Q. September 6, 1869: "Paid Armstrong in Fort Smith, for the El Paso line, \$3,500."—A. Well, Armstrong was one of his partners on another division.

Q. But not on the El Paso line?—A. No, he did not belong to that line.

Q. You do not know whether that was a bonus paid him of any settlement?—A. No, sir.

Q. September 6, 1869: "Paid for El Paso line, G. W. Paschal, \$500."—A. That was to myself.

Q. Friday, September 24, 1869: "Paid for El Paso line, Gregory's draft, \$4,056.66." Who is Gregory?—A. I don't know. I am studying about that. I do not know who he is at this moment.

Q. I find, Monday, September 27, 1869: "El Paso mail-line, Geo. W. Paschal, draft, \$500;" under the same date, "El Paso line, Baker's draft, dated May 3, \$500." Who is Baker?—A. Sawyer had a partner, Bowles Baker, in a cotton-house in Galveston; they had a commission-house there that went into bankruptcy.

Q. Taking these books now, with these entries that you cannot explain, many of them not mentioning anybody at all, does it not give just as much evidence of loose business-habits and legitimate business as it does of illegitimate business?—A. Yes, sir. About Dent & Page and Hood I know nothing. Whether it is the same Hood who is here I don't know; that \$5,000 in Arkansas probably ought to have been called what Sawyer did call it, black-mail; but there was nothing criminal in that; those were outsiders, men in the field, not officials.

Q. I ask you the general question, whether those books which I have been calling your attention to, from your examination of them, show any evidence of his having made payments of money to any post-office official or other official, except this man Floyd, \$100.—A. None at all; \$2,000 he charged to Floyd somewhere. I saw nothing else of any official taking any money.

WASHINGTON, D. C., April 6, 1876.

GEORGE W. PASCHAL recalled.

By the CHAIRMAN:

Question. State to the committee whether in your examination of Mr. Sawyer's papers you found any other papers, drafts, or memorandum-books that were not before the committee when you were last examined.

(The witness produced a memorandum book.)

A. This memorandum-book was handed to me by Mr. Taylor. Mr. Taylor, in looking over the book, happened to take it up, and brought it to me. It shows some of the running expenses, traveling expenses, and other things.

Q. Is that in Mr. Sawyer's handwriting?—A. Yes, sir. They are rough notes of running-accounts which he kept. I see here "November," which seems to be November, 1872. Judging by the dates, I should say that in the past June this entry was made: "Paid attorneys, mails, \$10,000;" on the same page, which would carry it into the next year, 25th February, for the same kind of service, attorneys, \$8,000; it is next to the last of the page, on the right-hand side. Then there is an entry here which is a blind account. It is as follows:

"Amount paid sharks on account of contract after 1st July.

Wm. H. Farrer	\$20,000
Paid by L.	
Capt. Hinds	7,500
Paid by L.	
Mrs. Stuart	2,000
Paid by L.	
August. Paid Colonel Bell	150
Woolverton	2,000
Phips	3,000
Williamson	2,000
Sept. D. A. F.	2,000
Oct. B. & Co.	2,000
Oct. Wm. H. Farrer	4,000

I take that "L" to be Lockwood. After the death of Benjamin F. Ficklin I had a good deal of knowledge, as attorney, of the business. Slaughter W. Ficklin was the executor of the estate of Benjamin F. Ficklin, with pretty full powers under the will, proved in Texas; and he and Sawyer run one year on what was called temporary service, on which there had been no compliance. I have had occasion to overhaul their settlements, as I stated the other day, and have learned that they divided over \$120,000 of profits for that one year. That was the year of temporary service, from July, 1871, to July, 1872. Ficklin then sold to Mr. Lockwood, an old stage-man, provisionally, one-half of his half; he had already sold Sawyer one-half, and he sold Lockwood the remaining half of the stock in trade, for \$70,000. Ficklin was not satisfied with Lockwood's character. He did not think well of him, and required a guarantee from Sawyer, that if Lockwood should not, at the time stipulated, take the stock and pay for it, he (Sawyer) would take it. In that condition of affairs Lockwood went home and never returned. His health grew bad. We heard that his mind had largely failed; that he was unable to do business; and he was in that condition until his death, so that he did not comply. Sawyer then took that \$70,000 interest. Meantime, Lockwood had entered into these contracts with Farrer, for retiring him from competition, signing the name of the El Paso Mail Company to the contracts, whereby a large sum was to be paid. In contemplation of being a partner with Sawyer he entered upon the business, although he never took stock and complied. I speak of that transaction because knowledge of it came to me professionally after his death. His widow appeared here with a contract, which, as I remember it, was destroyed. As I remember it, the bargain between Lockwood, representing the El Paso Mail Company, and Farrer, was that Farrer was to receive a very large sum—I think, \$60,000—and Lockwood was to receive back two-thirds of it. So that Sawyer was the victimized man. He was to do the paying and the others were to enjoy the benefits. Farrer was then sick, and I do not think I saw him. He was represented by Colonel McKibbin, who used to be a member of Congress, I believe. Mr. and Mrs. Lockwood were represented by a lawyer named F. W. Hackett, a sort of partner of William E. Chandler. After full discussion it was finally agreed to get the papers up and get the thing out of the way; that Mr. Sawyer should pay \$10,000. The papers for that were drawn up on my table by my clerk, and I think the papers were destroyed. McKibbin's or Hackett's recollection might be better about that than mine, but I think those papers were destroyed. From all the circumstances I take "L" to mean Lockwood.

Q. Now, if you please, come back to the first item, and state to the committee whether from circumstances, or from knowledge, you have any opinion as to whom those items \$8,000 and \$10,000 refer.—A. They are November, 1872: "Paid attorneys, mails, \$10,000," and on the 25th February, thereafter, "Paid attorneys, \$8,000." This was long after Ben. Ficklin's death. This book begins in 1871. I know nothing about this in the world; and I do not suppose that I could give any kind of information about it.

Q. I notice on the other page also: "Paid attorney \$5,000?"—A. I am at somewhat of a loss about the whole of it.

Q. "Paid Colonel Bell \$150?"—A. Colonel Bell is a man who was for a long time a clerk in the Post-Office Department. He afterward became an agent here, and is yet. He is the only man, since the death of Mr. Sawyer, who has rendered any account for such services. He claims that Sawyer ought to owe him another \$1,000. He paid him first and last \$4,000. Bell is a brother of Governor P. Hansborough Bell, of Texas; and, I believe, a half-brother of Extra Billy Smith, of Virginia. I never heard of him until after Sawyer's death. He presented his account, and I declined to advise the administratrix to honor the account, and it stands in that way.

Q. "Paid Captain Hinds \$7,500?"—A. That was done by Lockwood. I think they bought some of Hinds's routes. I think they bought that route from Shreveport to Monroe, in Louisiana. It was bid for in the name of Hinds, and afterward run by them, as were some routes in Arkansas.

Q. This is under the head of "paid Sharks?"—A. I see that. I do not know why it is so denominated.

Q. "Mrs. Stuart, \$2,000." Who is she?—A. My impression is, she is the lady from whom they bought the schooners with which to run the water-route from Indianola to Corpus Christi, Texas.

Q. "Woolverton, \$2,000?"—A. My clerk tells me that there is such a name connected with the business; I do not remember him.

Q. "Phips, \$3,000?"—A. He was a mail-man.

Q. "Williamson, \$2,000?"—A. Williamson is a mail-man, I think.

Q. "D. A. F., \$2,000?"—A. That would be Farrer, I should think; I do not know who else.

Q. "B. & Co., \$2,000?"—A. I do not know who they were.

Q. "William H. Farrer \$4,000?"—A. Farrer is dead.

Q. In looking over the drafts have you found any that correspond, in date and items, with these items I have been reading?—A. No; I do not think my attention was called to that. I went by your list. My health being very poor, I had to employ one of my young men to help Mrs. Sawyer. The lady who keeps her papers was not in town, and Mrs. Sawyer really knows nothing about them. I found some drafts: March 25, 1868, "On the

15th of August next, pay to the order of myself at the First National Bank of Washington, \$900, value received, and charge the same to account of Thomas Hood. B. F. Ficklin." Hood drew the draft upon Ficklin, and it seems to be accepted by Sawyer for Ficklin. It reads, "B. F. Ficklin, by Sawyer." That bears the stamp of having been paid. Then the next one is Washington, February 6, 1868, draft by Thomas Hood upon Ficklin for \$1,000. That was paid on the 1st January, and accepted in the same way. Then he draws from Milwaukee on the 28th April, 1868: "On the 1st November after date, pay to the order of myself, at First National Bank, Washington, D. C., \$1,000, value received." This is directed to Sawyer and accepted by Sawyer. The next one is at Milwaukee, April 28, 1868: "On the 1st day of February, 1869, pay to myself \$1,000," accepted by Sawyer. Then Milwaukee, April 28, 1868, on the next 1st July he orders him to pay him another \$1,000, which is signed by Thomas Hood, and accepted by Sawyer. The next one is drawn from Washington on the 20th January, 1869, for \$1,000; same parties on the same, except that it is on Sawyer individually; that is to be paid on the 1st May, 1869. On the 21st December, 1867, he draws on Sawyer for \$4,000, payable the 1st April thereafter. On the 10th August, 1868, to be paid on the 15th November thereafter, he draws for \$2,000, which is accepted by Sawyer; and January 20th, 1869, he draws in his own favor, payable 1st March thereafter, \$2,000. On the 2d March, 1869, Thomas Hood draws on the 1st April thereafter \$2,000, which Sawyer accepts. On the 20th January, 1869, he draws for the 15th April thereafter \$1,000; signed by Thomas Hood. Those are the drafts; and you will see by your memorandum that Mr. Sawyer has entered the dates when he paid, and not when he accepted. I do not think he kept any bills-payable account, or any bills-receivable account. When he paid the money he put it down. You will find that that is the situation. These were all that we could find in that name.

(The witness produced a number of checks, &c., of his own; the following list of which was ordered to be appended hereto.)

Date.		Amount.
July 18, 1867.	F. P. Sawyer to G. W. Paschal, (note).....	\$500 00
Feby. 10, 1868.	F. P. Sawyer to G. W. Paschal, (check)	1,000 00
	F. P. Sawyer to G. W. Paschal, (check).....	1,000 00
Feby. 3, 1869.	Sawyer's acceptance of Paschal's draft.....	2,500 00
	Sawyer's acceptance of Paschal's draft.....	2,500 00
April 1, 1869.	F. P. Sawyer to G. W. Paschal, (draft).....	1,000 00
May 25, 1869.	F. P. Sawyer to G. W. Paschal, (draft).....	1,000 00
Aug. 5, 1869.	Sawyer's acceptance of Paschal's draft.....	500 00
Oct. 8, 1869.	Sawyer's acceptance of Paschal's draft.....	500 00
Oct. 26, 1869.	Sawyer's acceptance of A. Schwart's draft, favor of Paschal....	100 00
Dec. 29, 1869.	Sawyer's acceptance of Paschal's draft.....	500 00
March 28, 1870.	Sawyer's acceptance of Paschal's draft.....	1,000 00
April 30, 1870.	Sawyer's acceptance of Paschal's draft.....	502 50
Oct. 2, 1871.	Sawyer's acceptance of G. W. Paschal, jr.....	2,500 00
Dec. 2, 1871.	Sawyer's acceptance of G. W. Paschal, jr.....	2,500 00
March 8, 1872.	Sawyer's check favor of G. W. Paschal.....	300 00
April 19, 1872.	Sawyer's acceptance of George W. Paschal, jr.....	1,600 00
April 30, 1872.	Sawyer's check, favor of George W. Paschal, jr.....	300 00
June 1, 1872.	Sawyer's check, favor of George W. Paschal.....	500 00
*June 20, 1872.	Sawyer's check, favor of George W. Paschal, jr.....	200 00
July 1, 1872.	Sawyer's acceptance, favor of George W. Paschal, jr.....	500 00
Sept. 3, 1872.	Sawyer's acceptance, favor of George W. Paschal, jr.....	502 70

By the CHAIRMAN :

Q. Did you examine among the papers to find if there were drafts corresponding with the other items paid?—A. I did not go any farther than your list. I was not able to go to Georgetown, and I sent my nephew. The lady who keeps Mrs. Sawyer's papers had been called to New England by the sickness of her mother, so that we had not the benefit of her powers of research. These are all we could find by your list, and the dates were wrong, because, as I said, the dates were of payments and not of acceptance. Sometimes the dates had been transferred from the main book into the big book, and there they were all wrong. The old papers of the firm of Sawyer & Ficklin were not overhauled until this examination, as we supposed nothing was to be got, they having settled their accounts.

Q. I would like you to make a general search if you can, at any convenient time, and bring all drafts that you find, unless you know that they were for legitimate purposes.—A. I will do so.

The CHAIRMAN. We do not want any drafts that were paid for any purchases of articles.

The WITNESS. You mentioned an official or semi-official name the other day, and I thought I had the draft here, but I must have left it on my table. That was one drawn in favor of my friend W. T. Clark, for \$500. We have not that one. It was not dated in December.

Mr. CANNON. I find two items of \$500.

The WITNESS. I found only one. We made search for the other, but could not find it.

Mr. CANNON. We want that, of course.

By Mr. CANNON :

Q. I will get you to state if it is not true, from your examination of Sawyer's books, that about the only books that he kept himself were these pocket-diaries that he would buy from year to year, and make the entries, ordinarily, in them?—A. That seemed to be one of his modes, and he also carried loose memoranda in his pocket.

Q. Upon this book, which contains these items against sharks, that you have spoken of, I see the name of "F. P. Sawyer, October 24, 1870," written on the fly-leaf. That is in his handwriting, is it?—A. Yes, sir; that is his handwriting. I suppose that is the day he bought the book.

Q. And on the first page of the book are a lot of items, running through October and November?—A. That is after he bought the book.

Q. That would be in 1870?—A. I should think so. They seem to be traveling expenses, mostly.

Q. On the next two pages of the book are a lot of items of moneys and memoranda, without any date at all?—A. Yes, sir; I think that must be to November, 1870.

Q. Then you turn over on the next page, and at the head of that is 1871?—A. Yes; that commences with May.

Q. There are a few items without date, and then the items run through May, June, July, and August?—A. Yes, sir.

Q. And then on the next, August, September, October, and November; that would be in 1871?—A. Yes, sir.

Q. And then there follows January and February, without any figures for 1872, but the inference would be that it was 1872?—A. Yes, sir.

Q. Then turn over to the next page, and there are items for May, June, and July, but those items are crossed out with red ink?—A. Yes, sir; they are crossed out, because he says, "The above was given to W. W. Finney to record." Finney was the book-keeper. I take it that Sawyer crossed them out after he had given it to Finney, the book-keeper, to record.

Q. I will get you to state if it is not true that the mail-lettings for four years were made on the biddings opened on the 1st July, 1871, or about that time?—A. Yes, sir; they were published soon after the 1st of July, 1871.

Q. Ben Ficklin died prior to the 1st July, 1871?—A. Yes, sir; he died in March, 1871.

Q. This *quasi* arrangement that you speak of, after Ben. Ficklin's death, that was made for Lockwood to go into partnership with Sawyer and buy out Ben. Ficklin's interest from his executor, was made shortly after Ficklin's death, was it not?—A. I had better explain that to you. By the covenant of partnership between Ben. Ficklin and Sawyer, it was stipulated that if either should die pending the partnership, the survivor should run the contracts out, after which the matters should be closed. Ficklin died March 5, 1871, I think, and Sawyer run those contracts out, and then put in new bids.

Q. I will ask you if, at the time the contract expired, negotiations were not pending between Lockwood, Sawyer, and Ben. Ficklin's executor, for Lockwood to purchase Ben. Ficklin's interest in the stock and the lettings that were to be made on the 1st July, 1871?—A. It is later down than that. It runs thus in point of dates: Very soon after Ficklin's death, in March, Slaughter W. Ficklin, the executor, who lives in Virginia, appeared upon the ground, and he and Sawyer adjusted the new bids. Slaughter Ficklin was to take Ben. Ficklin's place after the 1st of July, 1871. They succeeded in getting but very few contracts, if any; and the temporary service of one year was awarded to Sawyer, and run by him for the benefit of himself and Slaughter W. Ficklin, executor. These arrangements of Farrer's of course took place preceding the 1st July, 1871, or after that time.

Q. But it was a negotiation upon the part of Lockwood, as I understand, to buy Slaughter Ficklin's interest as executor?—A. Lockwood bought that interest some time in 1872, after the close of the settlement in Texas. Lockwood was there.

Q. Then it was after the lettings of 1871 that Lockwood contracted?—A. O, yes; Lockwood appeared after that.

Q. Let me call your attention to the fact that on pages 1, 2, 3, 4, 5, and 6 these entries are all made in pencil.—A. Yes, sir; all.

Q. Part of them in blue and part of them in black pencil.—A. Yes, sir; they are all in pencil down to the "shark" entry, except this one, "The above is given to Finney."

Q. What do you understand by that entry—that the above is given to W. W. Finney to record?—A. I understand that Sawyer went to Texas, and had kept these entries in a fly-book, and Finney was the book-keeper in Texas, and they were turned over to him there to enter.

Q. Up to the close of the entries in pencil, they were evidently, as nearly as one can judge, made at the time the transactions took place?—A. Yes, sir; I believe so.

Q. And then, after they had taken place, this line of pencil is drawn under them, and the entry, "The above is given to Finney to record," evidently must have been a memorandum

made after those entries were complete—a mere memorandum that it was passed over to the book-keeper to enter?—A. That is my understanding, because I see entries of teams, and I know he only bought teams in the West.

Q. Referring to this page commencing with the amount paid on account of “sharks,” after the 1st July, I will ask you if all those entries do not appear to be in ink?—A. They are all in ink.

Q. Sawyer was not a man who carried around in his pocket an ink-stand and pen, was he?—A. He ordinarily carried a pencil.

Q. These entries on the last page of amounts paid to “sharks,” being in ink, must have been made when ink was convenient, and were probably made at his office or house?—A. Yes, sir; they were made somewhere, for some such purpose as that. I do not know what might have been in his head.

Q. Sawyer was a bidder on mail-routes at the July lettings of 1871, was he not?—A. Yes, sir; he bid on all his old routes.

Q. Do you know whether William H. Farrer was a bidder upon routes at that time or not?—A. The records will show.

Q. What is your recollection about it?—A. My only recollection is associated with the fact that in this contract between Lockwood and Farrer, which was produced on an occasion I mentioned, he seemed to have been a bidder.

Q. Farrer appeared to be a bidder?—A. Yes, sir.

Q. At the lettings of 1871?—A. Yes, sir; I never examined the record, but it is all printed.

Q. I will get you to state if Hinds was not also a mail-contractor at that time?—A. Yes, sir; he had had considerable contracts in Alabama, and he was a bidder on some contracts in Arkansas and Louisiana at the lettings of 1871.

Q. Sawyer was a bidder upon routes in Texas and Louisiana also, was he not?—A. No; Sawyer did not bid in Arkansas, and I do not think he did in Louisiana.

Q. Sawyer got his water-service?—A. That was in Texas, from Indianola to Corpus Christi. There was an understanding between Sawyer and Chidester, as I understand, that Sawyer should not bid in Arkansas, and Chidester should not bid in Texas. I think that understanding was verbal. Sawyer never bid in Arkansas that I know of.

Q. Do you know whether Sawyer purchased the contracts of Farrer, or agreed to purchase, at the July lettings of 1871?—A. If I were to speak from memory, it would be that Farrer had underbid Sawyer on some routes. About any purchase I know nothing, except as to the transactions with Lockwood. The transactions came to me professionally afterward.

Q. Yet your recollection is that Farrer was a lower bidder upon some of the Texas routes than Sawyer, and yet Sawyer got the routes?—A. Yes, sir. You asked me a question about buying routes. That was a very common thing after the mail-contractor has complied. Buying routes is one thing, and retiring from a bid is another. I know that Mr. Farrer never complied with any bids on those routes.

(A black morocco bound diary was exhibited to the witness.)

Q. I want you to look at this pocket-diary for 1873, and see if it does not appear to be a diary of Mr. Sawyer's with various entries from day to day?—A. Yes, sir; a diary with some entries. It seems not to have been a regular book.

Q. It becomes a regular book after June, does it not?—A. Yes, sir.

Q. There are some entries prior to June, but the entries appear to have been made regularly after the 6th of June?—A. Yes, sir.

Q. Taken in connection with the fact, which you say you have a recollection about, that Farrer was a lower bidder than Sawyer upon routes, at the lettings of July, 1871, and that Sawyer performed the service upon those routes, is it not a fair inference, taken in connection with the manner of this entry, that those entries (referring to memorandum-book first produced in to-day's examination) were made in July, August, September, and October, 1871?—A. I cannot say whether it would be 1871 or 1872, for the reason that Sawyer had temporary service for one year. Whether the negotiations went on toward the close of that service or after it, I do not know.

Q. Let me call your attention to this fact, which seems to be conclusive, that this appears to be more a posting of account than anything else.—A. Yes, sir.

Q. Taking the facts into consideration that these were memoranda of the transactions of 1871, and posted long afterward, that at the July lettings of 1871 Farrer was a lower bidder on some of these routes in Texas, and that he did not fill his guarantees and enter upon the service; that Sawyer got temporary service upon those routes—is not the conclusion almost irresistible that this was a payment in some way to Farrer to not enter upon these routes, or a purchase of his bids, by virtue of which this temporary service was gotten?—A. It might be that way; I cannot say, though.

Q. Of course it might have been that way; but taking all these facts together, is it not a fair inference?—A. Taking the fact that I afterward saw the memorandum between Farrer and the El Paso Mail Company, by Lockwood, who had become a provisional partner, I should think that had something to do with the negotiations, certainly after the 1st of July, 1871.

Q. Let me call your attention to this fact: that here was a letting for temporary service in July, 1871, upon routes which Sawyer bid for, and upon which Farrer bid a lower amount. Farrer never entered upon the service. Therefore, there being no bidder to enter upon the service, and he, Sawyer, having stock upon the routes, under the provisions of the law, got temporary service for 1871; does not that show in connection with this entry, fairly, that somehow or other Lockwood, acting as Farrer's agent or otherwise, or Farrer, or somebody for him, got out of the way with his bid, or else sold his bid, so that he did not perform the service, by virtue of which Sawyer got the temporary service?—A. There might have been a negotiation of that kind, but it is hardly reasonable, from my knowledge of his business, that Sawyer would pay that \$20,000 for temporary service which he then had, because he and Ficklin settled afterward without any reference to such large payments. I had occasion to go entirely over their settlement. I speak of Slaughter W. Ficklin, executor.

Q. Is it not true that at the close of the contract term in 1871, the partnership with Ben. Ficklin, who had died in March, had expired?—A. Yes, sir; it expired the first of July.

Q. Then, anything that happened on and after the 1st of July, 1871, in reference to these routes, and the performance of mail-service upon them, could not affect the estate of Ben. Ficklin or the old co-partnership of Ficklin & Sawyer?—A. No; but Sawyer and Slaughter Ficklin entered into a contract to carry out temporary service for one year, and became partners.

Q. That is from the 1st of July, 1871, to the 1st of July, 1872?—A. That is it.

Q. But it is in that same connection that I ask you if Farrer at the regular letting did not have lower bids than Sawyer, upon some routes, and failed to enter upon the service?—A. That is my recollection of it; but, as I say, the record will show clearly how that is. The records are all published in books.

Q. Are you not aware that in November, 1872, after the lettings of 1871, Sawyer and Slaughter Ficklin, with Taylor and other men who had an interest in different divisions, had a meeting in Austin, Texas, at which meeting in November, 1872, there was presented an account of from \$50,000 to \$60,000, which was allowed by the partners at that time?—

A. I have seen it so stated here upon the books, and I have heard Taylor's deposition in court.

Q. You have no personal knowledge of that kind?—A. No, sir.

Q. I will ask you whether you have personal knowledge that in November, 1872, there were two items of \$10,000 each, or one item of \$20,000, in the \$50,000 or \$60,000 that was allowed by the partners?—A. Yes, sir; I saw the entry in the book; I do not remember the character of the items exactly, but it amounted to between \$50,000 and \$60,000.

Q. There was one item of \$20,000 for expenditures between the 1st of July and the settlement in November, or at the time that allowance was made?—A. After the 1st of July it would have gone on Ben. Ficklin's estate.

Q. I am speaking of another settlement.

The WITNESS. Between the executor and Sawyer?

Mr. CANNON. No; I am speaking of a settlement between the subsequent partners, Sawyer, Slaughter Ficklin, and Taylor.

The WITNESS. I do not think you have any data for saying that during that year of temporary service anything was charged against the new firm.

Mr. CANNON. O, yes; Mr. Taylor testifies that there was an account of from \$50,000 to \$60,000 against the new partners, Slaughter Ficklin, Taylor, and Sawyer, and one other division partner out there (Mr. Wright) in November, 1872, and that it was divided up.

The WITNESS. That may be correct. It is not consistent with Slaughter Ficklin's statement, however.

Mr. CANNON. I am asking you if you have any knowledge upon that?

A. No; except what Mr. Taylor has testified in regard to it.

Q. One of the items under that general head of "amount paid to sharks," after the 1st of July, is this item: to Mrs. Stuart, paid by L., \$2,000. You say that money you are satisfied was paid to Mrs. Stuart in part payment of schooners?—A. I did not say that I was satisfied. I say I know no other Mrs. Stuart except the one from whom the schooners were bought. There was about \$10,000 paid for schooners in this city to carry down to Indianola, and my recollection is that Stuart is the name.

Q. You think that item was not paid to sharks, but was paid for legitimate service?—

A. I do not know about it. I may be mistaken about Mrs. Stuart, but that is all the name that has come under my professional notice, and that was \$10,000 for those schooners.

Q. Now, I will ask you a little more about the time that this provisional agreement was made, by which Lockwood was to become a partner with Sawyer?—A. It was at the settlement you speak of in Austin. It was a memorandum signed by Lockwood. Ficklin first sold to Sawyer one-half the interest of Ben. Ficklin for \$70,000, and Sawyer sold that half, or half of his own to Wheeler & Co. Ficklin was dissatisfied, as he and Sawyer both told me afterward with Lockwood. There was something about the man they did not like, and after they had got as far as Dallas, he said to Sawyer he had fears Lockwood would not comply, and so Sawyer underwrote on the contract that if Lockwood did not comply, he (Sawyer) would take the property. After the death of Lockwood they brought those papers to me, and Sawyer complied.

Q. Right there let me ask if this firm that was formed by Lockwood and Sawyer, under this agreement, was not to be known as the El Paso Stage Company?—A. Yes, sir; whatever business he did after that was done in that name. Sawyer complied, and bought that interest from Ficklin. In the adjustments of the accounts, it stood that Sawyer had already paid \$30,000 to Ficklin, and that there was \$40,000 due, for which he executed a mortgage upon his property, which was drawn up at my office. That was the 3d of February, 1873. Sawyer then became the owner of this matter, and owed Ficklin \$40,000. Wheeler had bought an interest, but afterward he had to take back Wheeler's property, and he therefore became the owner, except a small interest that Taylor owed to Scott, the former owner of the whole property in Texas. Now, all these negotiations with Farrer, as I stated, as far as I have seen the papers, seem to have been made by Lockwood in the name of the El Paso Stage Company.

Q. What did the El Paso Stage Company give the money for?—A. They could have given it for but one object, and I might as well state that that was to get him out of the way.

Q. Get him out of the way as mail contractor or bidder upon mail-routes?—A. Yes, sir; one or the other. I do not think he ever complied, because in this two or three days, with McKibbin, Hackett, and Mrs. Lockwood when negotiating with me, I had to go over the point that I made again and again. It would be "What did you give?" "What did you get?" And the argument was that we should have stopped the line, and so on.

Q. Here is what I want to get at; here is a provisional co-partnership formed about the close of 1872, which was to take in Lockwood and Wheeler & Co., under the title of the El Paso Stage Company?—A. Wheeler & Co. did not go in as partners; they simply bought out—

Q. Then, this Lockwood, as the agent of the El Paso Stage Company, agreed that Farrer should pay him \$60,000?—A. Yes, sir.

Q. And the consideration upon Farrer's part was that he was to keep hands off?—A. I understood that.

Q. To keep hands off from the stage-routes as bidder and contractor?—A. Yes, sir.

Q. This partnership was not fully consummated, or, if it was, it was dissolved, and after Lockwood's death, Lockwood's widow was represented by Colonel J. W. McKibbin of this city, and Hackett represented Lockwood?—A. Yes, sir.

Q. You attorneys had a meeting with the parties, and it transpired in that meeting from contracts that were exhibited, which have since been destroyed according to your recollection, that Lockwood at the time he contracted to give \$60,000 to Farrer as a partner and agent for the El Paso Stage Company, had a private contract with Farrer that he, Lockwood, was to have \$40,000 of that \$60,000?—A. Yes, sir; that was the paper.

Q. In that settlement and talk, you resisted the demand because it was fraudulent?—A. Yes, sir.

Q. And it was finally compromised by yourself as attorney for Sawyer, McKibbin for Farrer, and Hackett as attorney for the executrix of Lockwood, that this indebtedness of \$60,000 should be wiped out in consideration of the payment of \$10,000, a part of which was to go to Lockwood's estate, and part of which was to go to Farrer?—A. No; the \$10,000 was to go to Farrer. I left that for Lockwood's widow and Farrer to settle. My object was to get the papers squelched and to get Sawyer out of it, because this man was his partner that I made the bargain with, and while all hands admitted that the contract could not be enforced at law, McKibbin said he would go to the Postmaster-General. Then it was that I told him if he did so, it would be a race to the penitentiary if they were to publish it, because it did not look well on its face.

Q. But to get rid of that fraudulent transaction and breach of trust on the part of Lockwood, you did finally assent to your client paying \$10,000?—A. Yes, sir.

Q. And that was done?—A. Yes, sir; whatever paper was written was at my table.

Q. Was anything said at that time by McKibbin, or in his presence, as to a combination that had been formed by Farrer, Lockwood, and McKibbin, in reference to Sawyer and Barlow, upon their mail-contracts in the investigation of 1872, or prior thereto?—A. I do not remember. Sawyer was sometimes present. He spoke a little harshly against the combination, but I understood McKibbin to not be very resistant about the matter. He seemed inclined to settle the matter up somehow. The only hostile remark he made was when he threatened to go to the Postmaster-General with information, and I quoted the law. I read an article from Brightley's Digest, and I threatened the penitentiary. He did not hesitate long then. We thought it was a misfortune we were in, and it was better to get out as quickly and easily as we could.

Q. When did Farrer die?—A. Not long after the settlement, which was in July.

By the CHAIRMAN:

Q. Farrer was sick at that time?—A. Yes, sir.

By Mr. CANNON:

Q. Was this \$10,000 in that agreement to get rid of the \$60,000 paid to McKibbin as attorney for Farrer?—A. No, sir; it was given to Hackett.

Q. He was representing the Lockwood estate?—A. Yes, sir.

Q. Was it payable to Hackett individually?—A. I think it was, because I find checks afterward paying those notes to Hackett.

Q. Individually, or as attorney?—A. The notes were written on the face of them to Hackett; that is my recollection. They were written by my own clerk, Mr. Maunder.

Q. Did McKibbin and Farrer ever get any of that \$10,000?—A. I do not know how that was worked. When I made the remark I did, it was a little harsh, though I was good-tempered, and said: "Here is the \$10,000, and it is all you will get." McKibbin said, "You will give us ten or fifteen minutes to answer;" and he and Hackett left. When they went out McKibbin winked at Sawyer, and Sawyer followed him. What transpired afterward I do not know. They returned pretty soon and determined to accept the proposition. You must know that it struck me as a monstrous transaction to see a man bargain in two places, agreeing as partner to pay money, and agreeing with another man that he should get part of it for himself. It had a bad appearance.

Q. This man Lockwood was a mail-contractor?—A. O, yes, sir.

Q. He was not an officer of the Government in any way?—A. No, sir.

Q. Nor was McKibbin or Farrer?—A. No, sir: McKibbin was at that time in very bad relations with the Postmaster-General. I forget what his complaint was, but it was a very bitter one at the time, and, therefore, I did not suppose that he was in a situation to influence the Postmaster-General. I do not think I knew Farrer.

Q. I believe you stated the other day, (to go back to Johnson's and Randall's administration,) that the fees paid you principally were for services before the Department in getting the schedule expedited, and additional trips on some Texas routes?—A. Yes, sir; my services commenced back in 1868. In making up the original partnership for them, and buying out the route from Bates, I had to work it up to get the time increased. Whatever address I had with military officers I used, but I did not have anything to do with it, except to prepare a paper. Ficklin managed it himself before the Austin constitutional convention of Texas. He went around and got all the members to sign a petition for additional mail service to be established. There was nothing wrong with some of the routes. The petition was indorsed by General Reynolds and General Grant; that is, General Grant indorsed the military recommendations while he was General of the Army. These officers reported that the expense of carrying mails by military authority was heavier than to pay for it to a contractor.

Q. I do not care to go into that; I want to ask you whether you had any knowledge, in 1868, at the time you were acting as attorney for that purpose for Sawyer, if this man, Thomas Hood, was also acting as his attorney for the same purpose?—A. I had never heard of it; never. I did not suppose there was any other attorney but myself; I never heard of him in that connection at all.

Q. Now, I want to ask you whether, at the time of Sawyer's death, he was indebted to you to any considerable amount?—A. No, sir; not so much as \$5,000, for this reason, that he had agreed to take up the last payment on my house for \$5,000. Then we had some calculation, and it was seen that he did not owe me that much, and he got a mutual friend to carry the \$5,000 for him, but he died without taking it up, and I had to take it up myself. The balance he owes me is a good deal less than that.

By Mr. MILLER:

Q. You said that Sawyer had some interest in a brewery?—A. Yes, sir; he bought a brewery here.

Q. When did he buy it?—A. I think it was on the 8th of April, 1873.

Q. He bought it for his son?—A. Yes, sir; he gave it to his son.

Q. How much did the brewery cost?—A. The purchase-price was \$20,000. The amount actually paid out in cash was \$10,000. There was a mortgage on it for \$8,000, which he was to take up, but he died without doing so.

Q. How long did he or his son run the brewery, before his death?—A. From the time they got it in 1873, down to his death, and a short time afterward.

Q. It was not a success as a business operation?—A. I think not. Mr. Clark can tell you more than I can. I think it was a sinking business.

Q. Do you know how much money they lost on it?—A. I have no means of knowing. Mr. Clark will know, as he kept the books; but I know there was one lawsuit which was a terrible affair, and they had to pay \$600 or \$700 on that suit. That, and other things, and the fact that there is now a debt of \$2,500 against the brewery for malt, induces me to think there was no profit in the business. Those things came under my observation.

Q. Mr. Sawyer had a large family, did he?—A. Yes, sir; Mr. Sawyer's family consisted of eight children and himself and wife.

Q. Were any of them in business aside from the brewery?—A. One other. He put the other one in the business of removing the night-soil, under a contract which he had here in Washington, for which he got \$20,000 per annum.

Q. With Hobbs as a partner?—A. Mr. Hobbs was in it.

Q. He was a partner in it?—A. Yes, sir; right away afterward—

Q. Was that a profitable business?—A. I think it was.

Q. He lost that contract, did he?—A. They took it away a year ago, or a little more.

Q. That left considerable property and stock on their hands?—A. Yes, sir; it left a little steamer, some barges, and some horses and wagons, so that I suppose the loss on the property ate up profits they had made on the contract.

Q. So that on the whole they lost money?—A. Yes, sir.

Q. Were not any of the rest of his family in business?—A. No, sir.

Q. Did his sons and daughters live off of their father?—A. Well, I believe Charles, the one who had the brewery, lived in the family; the other one bought a little plantation in connection with the night-soil contract, to manufacture some kind of manure; I do not know what you call it. His son lives there. But it was a frugal family, I will say.

Q. But so far as you have told us, or so far as you know, all the business they have been engaged in has been at a loss, except the mail-contract?—A. I am not able to say whether the night-soil contract was a source of profit or loss. The removal of the soil at \$20,000 was a profitable thing in itself, but in closing out I do not suppose any profit was left them. It was cut off suddenly because the river froze up, and would not float the matter down.

Q. You speak of buying a house for Sawyer; you bought it yourself?—A. I negotiated it.

Q. How much did that cost?—A. \$20,000.

Q. Was that paid for?—A. Yes, sir; \$10,000 cash, and \$10,000 in three months.

Q. That was settled upon his wife?—A. Upon his wife and children.

Q. They have that homestead?—A. Yes, sir; it is the old bank building.

Q. You and Mrs. Sawyer had no idea of the estate being insolvent?—A. O, no, sir.

Q. The family as well as you supposed he was rich?—A. Yes, sir; we supposed he was rich in the Texas sense of the word, but not in the New York sense.

Q. Do you know about Mr. Sawyer engaging in stock speculations in New York?—A. I never heard of it until I saw it in the newspapers since this examination has been commenced. I do not think it was true.

Q. You know nothing about it?—A. Not a word.

Q. The books show that he was a heavy borrower of money, but I suppose that was to run his contracts?—A. Yes, sir; he borrowed money to run his contracts. He drew drafts against the Post-Office Department and got the banks to cash them.

Q. Anticipating his quarterly payments?—A. Yes, sir.

Q. Were they generally used up before pay-day, so that the payment went to pay debts?—A. Yes, sir; there was not much left, as a rule, after pay-day came.

Q. You stated that at some time you thought it averaged, during the time he was holding those contracts, about \$100,000 a quarter?—A. Yes, sir; after he got the one from Mr. Randall for the Fort Smith and Fort Concho route.

Q. I notice his estate consists largely of stock, coaches and horses, on those routes. I suppose that property must undergo heavy depreciation if you have to sell it?—A. A heavy shrinkage, yes, sir. He failed to get any new routes except three or four small ones. His property was on hand without employment.

Q. There must have been a heavy loss on that property?—A. Yes, sir.

Q. I understood you that Sawyer bought Ben. Ficklin's interest?—A. Yes, sir; that was included in the purchase.

Q. As Mr. Sawyer afterward lost the contracts and had a large part of this stock left on his hands that he bought of Ben. Ficklin, that could not have been a very profitable bargain?—A. No; the profit, whatever he made, was during the time—

Q. And he lost in the end on the stock?—A. Yes, sir. Then there were debts, as I have stated, that we do not know anything about.

By Mr. CANNON:

Q. This man Bell that you speak of, who appears to have got \$150, you say was the half-brother of Extra Billy Smith, of Virginia?—A. I understand he is.

Q. And a relative of Governor Bell, of Texas?—A. A brother.

Q. When was he a clerk in the Department—under Randall?—A. He was there under Randall and later; I do not remember how much later. He went out and set up an agency here.

Q. He probably went out prior to 1871?—A. O, yes; I think so; I do not think he staid in long after the new administration came in.

Q. Not longer than the Johnson administration?—A. Not much.

Q. Then at the time of this payment of \$150 he had probably been out of the Department for two or three years?—A. I think so.

Q. There has been some testimony about who is benefited by straw-bids. From your observation and experience as an attorney for other parties, what is your conclusion as to the parties that are benefited by straw-bids?—A. Just such men as Farrar.

By the CHAIRMAN:

Q. What do you know about it, in the first place?—A. What I know about it and what I have seen is, that parties who are really benefited are those who make a show of ability and enter bids with the view of making a higher bidder buy them off.

By Mr. CANNON:

Q. What do you know about it from your own observation and experience?—A. All I know is professionally, what occurred with this man Sawyer. I did not know what straw-bids were; but I speak of the fact that since this law was passed, which authorized the Postmaster-General to go from the lowest to the highest bidder, there are always a set of sharks here putting in bids, with no other calculation except to be bought off.

Q. Then am I to understand that, from your observation, that is the class of men who are benefited by that system?—A. I think so. Whatever they get is clear. Whatever they can get a higher bidder to pay is just that much money in their pockets.

Q. From your observation and experience, do you regard that system of straw-bidding as being a benefit to the *bona-fide* contractor, who has the stock and ability to perform the mail-service?—A. O, no; it is all at war with that class of substantial men who have the property and stock on hand. The old system, when I was in public life many years ago, was to require the new contractor to buy the stock of the old one. That was afterward changed, and now they bid without reference to that, and if a man has a quarter of a million of money in a line, and some other man underbids him, he is out of employment.

By the CHAIRMAN:

Q. Suppose the contractor procures his stage-drivers, agents, and employés, who are not responsible at all, to put in these straw-bids?—A. I have heard of such things, but I never knew a case.

Q. Suppose a man puts in a bid and throws it up at the end of three months, and the contractor has the stock on the ground and no one else has; the straw-bidder carries it with his stock until the end of the time, thereby enabling the Government to get temporary service at the old price, or a higher one; would not that be a benefit to the old contractor?—A. It leaves the business in great uncertainty. The Government is the party fleeced then.

By Mr. CANNON:

Q. Is it not true, from your observation, that this practice which has grown up of irresponsible men bidding upon mail-routes to the detriment of *bona-fide* bidders has frequently driven the *bona-fide* bidders to countermine, so to speak, in putting in these bids to protect themselves.—A. I suppose that is true, and if you want my opinion outside—I do not think it is worth recording—

Q. I do think it is worth recording, because you have had experience.—A. I am talking about going from the lowest to the highest.

(The chairman objects to the witness giving his opinion in regard to this matter.)

The WITNESS. I think the whole proper theory of public service would be where you have established contractors who are carrying mails at reasonable prices, and the Government ought to know what is a reasonable price, those routes should not be exposed to public bidding. The Postmaster-General should have authority to make contracts at the same price, or at a discount as the Postmaster-General may think proper. I may be wrong or I may be right in that. The public service cannot be carried on by honest men as it is.

Q. Do you find in looking over these papers a lot of drafts and checks to Thomas Hood?—A. Yes, sir; I put them in.

Q. I would like you to look over the checks you have; perhaps there are some to Johnson and others; please get them if you find them.—A. There are some to Johnson. I could not find out the checks to Johnson, who Johnson was. He is not one of the bankers.

WASHINGTON, D. C., April 7, 1876.

GEORGE W. PASCHAL. Examination continued.

The WITNESS. This is the only check of Dent & Page that I have been able to find. There are \$5,000 appearing on the books April 13, 1869, but this is the only check that I have been able to find. It reads as follows:

"First National Bank of Washington, D. C., pay to Messrs. Dent & Page, or bearer, \$1,000.

"F. D. SAWYER."

It is not indorsed. Dent & Page is a firm of lawyers in Washington. Louis Dent, of that firm, is dead. He was the brother-in-law of the President. I do not know whether Page is in town or not.

Here is a check payable to Walter S. Cox, of this city, dated October 28, 1869, for \$9,500, which I recognize as having been paid on Mr. Sawyer's residence.

Here is a draft at sixty days after date: "Pay to the order of myself, or bearer, office of Lewis Johnson & Co., \$3,000," drawn by Thomas Hood upon Mr. Sawyer, and accepted by him. It is dated April 6, 1870, and is for \$3,000. The indorsement on the back states "Waiving notice."

Here is a draft of the same kind, drawn by Thomas Hood, dated January 20, 1869, for \$1,000, payable on the 15th of October thereafter.

Also a draft of \$1,200, dated July 26, 1869, drawn by Thomas Hood upon Mr. Sawyer, and accepted by him. The time is thirty days. All these have the cancellation-mark of the bank on them.

I produce another draft, dated January 20, 1869, drawn by Thomas Hood, payable on the 1st of November thereafter, for \$1,000.

Also another draft drawn on the 20th January, 1869, payable on the 1st day of August thereafter, for \$1,500, signed by Thomas Hood and F. P. Sawyer. It is indorsed on the back, "Thomas Hood, Madison, Wisconsin," and "Bradley Barlow, Saint Alban's, Vermont." It is payable to Hood's own order, and he indorses it. I presume it is the banker who makes the entry on the back as to the place where notice is to be sent, but Bradley Barlow & Co. indorse it. It is payable on the back to the order of Riggs.

Q. Did Hood live at Madison at that time?—A. I can only judge from seeing some others dated at that place.

Q. There are some dated at Milwaukee, also, are there not?—A. Yes, sir. Here also is a draft dated January 25, 1869, at thirty days, drawn by Hood upon Sawyer, for \$3,200, payable to Hood's own order, and by him indorsed.

Q. When was that due?—A. Thirty days after the 25th of January, 1869.

Q. How was that indorsed?—A. There is no indorsement except "Thomas Hood." Sawyer accepts, and there is no other entry, except that on the back there is the name of Hood.

I produce another draft dated August 10, 1868, (earlier than any of the others :) "On the 15th day of February next, pay to the order of myself, at the First National Bank of Washington, D. C., \$1,900," drawn by Thomas Hood upon Sawyer and accepted by him on the 10th of August. It is indorsed by Hood on the back, and by J. B. Van Slyck. The cashier afterward indorses the payment. I do not know who Van Slyck is.

I produce another draft, dated February 6, 1868: "On the 1st day of October next pay to the order of myself, at the First National Bank of Washington, D. C., \$1,000." It is drawn by Thomas Hood and accepted by "Elisha Bates, per F. P. Sawyer, attorney in fact." Bates was a mail-man and was Sawyer's brother-in-law. It was in his name the route from San Antonio to El Paso was running at that time; that is to say, he was the bidder and Sawyer was running it under power of attorney, as attorney in fact.

On the 6th day of February, 1868, Thomas Hood draws another draft, reading as follows: "On the 1st day of April next, pay to the order of myself, at the First National Bank of Washington, D. C., \$1,000." It is addressed to Elisha Bates. It is of the same date as the other, but has a different date of payment. It is signed by Sawyer, as attorney in fact, for Bates. On the back it is signed by Thomas Hood, as payable to the order of Mr. Huntington, the cashier of the First National Bank, and they make a memorandum there that Hood is to be addressed to the care of M. D. Miller.

I produce another draft, dated, also, the 6th day of February, reading: "On the 1st day of July next, pay to the order of myself, at the First National Bank, Washington, D. C., \$1,000, value received, and charge to Elisha Bates." It is addressed to Elisha Bates, and he, by Sawyer, accepts it. That draft is indorsed on the back "Thomas Hood;" also, "Pay to Huntington, cashier, or order. M. D. Miller."

I produce a receipt, dated Washington, D. C., August 7, 1868, reading as follows: "Received of F. P. Sawyer \$6,100, on account of professional services, &c."

You furnished me, Mr. Chairman, with a memorandum calling for checks of Mr. Clark, but I have been only able to find one, and that is dated Washington, D. C., October 19, 1869, and reads:

"First National Bank of Washington pay to General W. T. Clark, or bearer, \$500.

"F. D. SAWYER."

By Mr. CANNON:

Q. Does it bear evidence of payment—has it any cancellation-marks on it?—A. Yes, it has been run through; it bears the cancellation-mark of the bank.

Here is a receipt dated

"WASHINGTON, D. C., May 22, 1871.

"Received of F. P. Sawyer \$3,860.28, for services rendered.

"J. W. JOHNSON."

Q. Does it specify what it is for?—A. Only "for services rendered." You will see it apparently is all in the same handwriting, but I know nothing as to that. I have a receipt from the same man. [Reading.]

"WASHINGTON, July 25, 1871,

"Received from S. P. Sawyer \$5,750, for money disbursed as attorney for El Paso Mail Company up to July 1, 1871.

"J. W. JOHNSON."

I have another receipt, reading as follows :

“ SAINT LOUIS, MO., May 22, 1869.

“ Received of General Henry Heth an order for \$100, drawn by B. F. Ficklin to the order of the undersigned, on F. P. Sawyer, of Washington, D. C., date May 20, 1869, for legal services rendered.

“ MATTHEW R. CULLEN.”

The next paper I have is a draft, reading as follows :

“ WASHINGTON, September 26, 1870.

“ Ten days after date, pay to the order of myself \$1,000.

“ B. F. WILKINS.”

That is addressed to F. P. Sawyer, and has the cancellation-mark upon it.

By the CHAIRMAN :

Q. Where does Wilkins reside ?—A. He dates this at Washington, and draws it on Washington. Sawyer accepted apparently, and paid through the bank.

I now produce a check, as follows :

“ WASHINGTON, November 18, 1870.

“ First National Bank, pay to D. O. Floyd or order \$100.

“ F. P. SAWYER.”

It is indorsed regularly by Floyd, and canceled. Floyd was then a clerk in the Post-Office Department, but has since been turned out.

I produce another receipt, reading :

“ MAY 9, 1870.

“ Received from Mr. Sawyer a fee of \$400, as retaining fee for professional services.

“ GEORGE EARLE.”

Earle was Third Assistant Postmaster-General, but if I were to speak from memory I should say he had gone out by that time.

The other papers here are a part of my own checks and dealings with Sawyer of the same character as yesterday, dated in 1870, and going to make up the \$14,000.

Q. All for entirely legal services ?—A. Altogether. Once or twice I loaned him a thousand dollars, but it was only for a few days at a time, and it was returned. I think I did not state that the house purchased in the name of George W. Paschal, jr., (my son,) was held in trust for Mrs. Sawyer and the children. There are \$9,600 of those drafts drawn to Hood that have no cancellation or defacing mark showing payment in bank. Mr. Clark was not elected to Congress until the first Monday in November, after the date of this draft. It is dated October 19, 1869. He was elected to Congress on the first Monday of November, 1869. This, gentlemen, is all that, in the state of my health, I have been able to ascertain in regard to the papers bearing on this matter.

By the CHAIRMAN :

Q. You have ascertained no further evidence in regard to any of these parties ?—A. No, sir.

CHARLES E. CLARK recalled. Examination continued.

By the CHAIRMAN :

Q. You stated that you desired to make some corrections in your testimony ?—A. Yes; with the permission of the committee, I would state that the other day I could not name any of the parties to whom this money was given; not knowing what questions were to be asked me, I was led into that statement, but upon refreshing my memory I can make some corrections in that respect. I have also some checks which aid my recollection. These are checks, drafts, &c., to various parties which were to make the sum of \$73,000, (or whatever sum it was,) on the books, which was charged as attorney's fees. I will state here that those checks and drafts were handed to me by Mr. Sawyer himself, for the purpose of making up that account preparatory to his making his trip to Texas, to have them recorded upon the books of the different divisions there in their proportion.

By Mr. CANNON :

Q. What year was that ?—A. It was 1872, sir; that is, these checks were of that date. I prepared the statement last spring.

Q. Last spring before Sawyer's death ?—A. Yes, sir; before his death.

Q. That was the preparation of the statement of the account that he claimed against the company shortly before his death, and which was not allowed by the company—by the other partners ?—A. They objected to it. Mr. Scott and Mr. Taylor both objected to it.

The CHAIRMAN. They objected, but it was allowed.

Mr. CANNON. No, they allowed in 1872; but the last lot of \$73,000 they objected to, and it was not allowed, as I understand from the evidence.

The WITNESS. My evidence did not go to that effect, but Mr. Taylor said it. I know that Mr. Taylor and Mr. Scott, when here last summer, did object to their portion of that amount; not that they objected to the gross amount; they objected to the division of it; and I doubt very much if it has been settled.

Q. What we want to do is to distinguish these items from the amount allowed in 1872. These went to make up the \$73,000 that was not settled at the time of Sawyer's death, was it?—A. These went to make up the \$73,000 that was not settled at the time of Sawyer's death.

By the CHAIRMAN :

Q. Which of those drafts came into your possession, and how did you make up the account?—A. Mr. Sawyer handed me these drafts, requesting me to make up the account for the entire amount of these drafts and checks, as being the amount paid by him as attorney's fees. The same was to be divided and charged against the different divisions, as for instance, his own. There were only three at that time—his own, Mr. Taylor's, and Mr. Scott's.

Q. Pro rata, I suppose?—A. Yes, pro rata, in proportion to the mail-pay.

By Mr. CANNON .

Q. They were handed to you in 1875, were they, in the spring?—A. Yes; in the spring of 1875. The first draft or check that I have got in my hands, (I do not know that they come in regular order, but I suppose that makes no difference,) is a draft drawn June 27, 1872, by F. P. Sawyer, for El Paso Mail Company. The amount is \$2,500. It is drawn on C. M. Lockwood, in favor of George W. Cook; the same was accepted by Lockwood on the 2d of June, 1872, and was paid in full on November 2, 1874, the amount being \$2,970, which includes interest.

Q. The interest makes how much?—A. I do not know exactly, but the whole is \$2,970.

Q. When was that draft due?—A. That draft was due on the 29th of June, 1872; it is a sight-draft accepted on that day by Mr. Lockwood. As evidence of that being the amount, here is a check dated November 3, drawn by Mr. Sawyer on the National Bank of the Republic for \$2,970, payable to Frank W. Hackett, who was the attorney for Mr. Lockwood, as I understood it, the amounts corresponding. I did, under Mr. Sawyer's supervision, attach these checks to the different drafts, and in some instances they were attached before I got hold of them. That draft is indorsed on the back, "pay to C. M. Lockwood. (Signed) George W. Cook." It is indorsed on the face, "Paid in full, November 2, 1874, \$2,970. F. W. Hackett, for Lockwood estate." The next paper that I have here is a note dated the same day, at one hundred days from date, for \$2,500, in favor of George W. Cook, receipted on the face as follows: "Received February 9, 1875, \$3,154 in full. (Signed) Estate of C. M. Lockwood, by F. W. Hackett." Accompanying that is a draft of Mr. Sawyer's on E. A. Abbott, of Boston, for \$3,154, a sight-draft.

Q. George W. Cook indorses to Lockwood on that, does he?—A. Yes; indorses to Lockwood, the same as the other. I have also a promissory note here, dated May 31, 1872, reading as follows: "On demand, I promise to pay C. M. Lockwood \$5,000 and interest, until paid. (Signed) F. P. Sawyer," and indorsed "Estate of C. M. Lockwood, by Frank W. Hackett, attorney," and indorsed also by Mr. Sawyer, he guaranteeing the indorsement of Hackett. Accompanying that is Mr. Hackett's receipt for \$5,378.90, which is the principal and interest. I produce also Sawyer's note, dated July 1, 1873, payable to "Frank W. Hackett, attorney," on the 10th day of January, 1874, with interest from date at 7 per cent. on the amount of the note.

Q. Hackett was attorney for whom?—A. This note does not state; but he was attorney for Lockwood. The amount of the note is \$3,333.33. There is an indorsement in Mr. Hackett's writing, without being signed, however, in the shape of a receipt. "January 10, 1874, \$300." That was the date, you will observe, that the note matured, and on the 14th day of February, 1874, a check of F. P. Sawyer on the National Bank of the Republic, in favor of Hackett, and by him indorsed, for \$3,177.22, was drawn, covering, with the \$300, the interest. I produce another note of F. P. Sawyer's in favor of F. W. Hackett, attorney, payable on the 10th October, proximo, for \$3,333.33. On the 11th day of October, 1873, Mr. Hackett, as attorney, receipts for draft on E. A. Abbott, Boston: "In full for the above;" and on that same date, 11th October, 1873, accompanying this is a draft of F. P. Sawyer on E. A. Abbott, for \$3,333.33. the receipt for which is there.

Q. Have you a third note of the same date, July 1, 1873, given by Sawyer to Frank W. Hackett, the attorney?—A. I have no recollection of any.

Q. You did not find it amongst the papers?—A. I did not find it amongst the papers; no, sir. I produce a sight-draft, dated June 26, 1872, drawn by F. P. Sawyer on C. M. Lockwood, Washington, D. C., in favor of W. H. Farrer, for \$20,000. Mr. Farrer receipted on the back as follows: "Received on the within draft, June 27, 1872, \$20,000, from C. M. Lockwood."

Q. There is no acceptance of Sawyer on it?—A. It is accepted by Lockwood. I produce another note, dated July 15, 1873, drawn by F. P. Sawyer, at twelve months' time, in favor of Farrar and McKibbin. Amount, \$3,166.66. Accompanying this is a check dated July 25, 1874. I might state that this note carries interest at the rate of 7 per cent. I produce a check dated July 25, 1874, drawn by F. P. Sawyer on the National Bank of the Republic, to the order of Joseph C. McKibbin, for \$3,394.32. The check is indorsed by Joseph C. McKibbin.

Q. Do you know McKibbin's handwriting?—A. Only from having seen the same thing several times; I never saw him write.

Q. Did you ever see anything that he acknowledged to be his handwriting?—A. Never saw him acknowledge anything; do not know the man at all.

Q. Is that in the same handwriting as the checks you have ordinarily seen indorsed by him?—A. Yes, sir. Here is a note of F. P. Sawyer's, dated July 15, 1873, six months after date, payable to Farrar and McKibbin, \$3,166.66, with interest. The note bears the following indorsement and receipt on the back: "Received January 20, 1874, from F. P. Sawyer, \$2,410, on the within note. (Signed) Joseph C. McKibbin."

Q. The same handwriting as on the check?—A. I will look at them and see. [The witness compares the handwritings.] It is a little smaller writing, but it is characteristic. The signature is a little different, though it is evidently written by the same party.

Q. You have no doubt about that being the same signature?—A. I have no doubt at all. There is another indorsement as follows: "Received February 19, from F. P. Sawyer \$250 on the within note. (Signed) Joseph C. McKibbin." To correspond with that last receipt there is a check here to McKibbin's order for \$250, and by him indorsed, and also indorsed by Daniel Munn. Here is also a check dated February 21, 1874, drawn by F. P. Sawyer to the order of Joseph C. McKibbin for \$622.49; that is indorsed by McKibbin, also by Tenney & Co., the men, I believe, who keep the National Hotel. Those, I think, go to make up that note with interest. Here is a note—I give it to you for what it is worth; I do not know anything about it; I think it was put in by Sawyer after I made up the statement, but I will not be positive about it. It is dated July 1, 1872, drawn by F. P. Sawyer at ninety days, in favor of Captain J. J. Hinds, for \$7,500, payable at the First National Bank of Washington. This is indorsed by J. J. Hinds, A. McDonald, J. T. Chidester, H. C. Swain. Attached to this is a memorandum in Sawyer's handwriting, and signed by him, reading: "This Hinds party got of the El Paso Company \$15,000—\$7,500 besides this note. The other note is not taken up yet. F. P. Sawyer."

Q. Is the signature of J. D. Chidester on that paper the genuine signature of J. D. Chidester?—A. I recognize it as his handwriting.

Q. You know his signature?—A. I know his signature; I have seen it frequently.

I have another note dated July 15, 1873, at ninety days, in favor of Farrar & McKibbin, for \$3,166.66. The following receipts are indorsed on the back of that note:

"Received October 14, 1873, the sum of \$500, on the within note. (Signed) Farrar & McKibbin."

Q. Whose signature is it?—A. I should say it was Farrar's signature for the firm of Farrar & McKibbin. It goes on: Received November 10, 1873, the sum of \$1,000 on within note. (Signed) Farrar & McKibbin."

Accompanying that is also a check dated June 1, 1874, payable to the order of Frank W. Hackett, for \$1,772.30. It is indorsed by Frank W. Hackett, not as attorney, but for himself.

Q. It is not payable to him as attorney, is it?—A. No, sir.

I produce another note dated June 26, 1872, signed by F. P. Sawyer, for El Paso Mail Company, with C. M. Lockwood surety, in favor of W. H. Farrar, for \$10,000, with interest at 10 per cent. per annum.

Q. Is there any indorsement on that note?—A. Yes: "Without recourse to me. (Signed) W. H. Farrar." It goes on: "Received, Washington, D. C., October 31, 1872, \$4,000 on the within note. (Signed) W. H. Farrar."

Q. Is there anything to show that it is paid in full, this \$10,000 note?—A. No, sir; there appears to be but \$7,000 paid on that. If you look at the second receipt you will see it is dated 1863, but it should be 1873. It is for \$3,000. Those checks are of the same date and the same amount, so that it was evidently what was given for the note.

Q. He might have paid cash?—A. Yes; he might have paid cash; or here is a check which was given to cover it, probably: "July 3, 1873. Pay to Farrar & McKibbin, or order, \$3,333.33." You will observe this note carries interest at the rate of ten per cent., and would just be about that amount. I produce another note, dated July 15, 1873, drawn by F. P. Sawyer, at nine months, in favor of Farrar & McKibbin, for \$3,166.66 with interest. This does not appear to be indorsed by anybody, but McKibbin receipts for some money as of April 21, for it says: "Received, April 21, of F. P. Sawyer, \$1,500 on within note. (Signed) Joseph C. McKibbin;" and further, "Received May 4, 1874, \$100 on within note. Joseph C. McKibbin." There is also a transfer of a portion of Farrar's interest to Mrs. Cora Farrar. I produce two checks given to Joseph C. McKibbin, and indorsed by him, which checks correspond with these two amounts, which I have just given you, as indorsements or receipts. Also a check dated May 28, 1874, on the National Bank of the Re-

public in favor of Joseph C. McKibbin for \$1,746.90, which goes, I believe, to make up that note with interest. Those make all the notes. I now come to the checks. I produce a check, dated July 3, 1873, drawn by F. P. Sawyer on the First National Bank of Washington, D. C., in favor of Farrar & McKibbin, and by them indorsed, for \$3,333.33. There is a lead-pencil name on the back of this that looks like Kiskadden. I have another check dated July 29, 1872, drawn by F. P. Sawyer, on the First National Bank of Washington, in favor of Col. W. H. Farrar, for \$1,500, and indorsed by Farrar. Also a check dated August 10, 1872, drawn by F. P. Sawyer, on the First National Bank of Washington, in favor of Col. William H. Farrar, for \$1,000, and indorsed by Mr. Farrar. I produce also a check dated September 6, 1872, drawn by F. P. Sawyer on the First National Bank of Washington, D. C., in favor of Col. William H. Farrar, for \$2,500, indorsed, "W. H. Farrar, and Fant, Washington & Co.," who are bankers here. I have now gotten through with all the checks, drafts, and notes. I produce a memorandum of which I personally know nothing, but it goes to swell up that amount of \$73,000 or \$74,000. Sawyer made a memorandum here, or a statement, in blue-pencil figures, reading, "Swindle; but chargeable to El Paso Mail Company, this amount—\$3,846." Then there are figures attached in ink swelling that amount up to \$3,892.75. I suppose it is interest added. Those comprise the papers that I have, excepting these, [indicating a package in his hand.] I do not think, however, that these can be of any use. There does not appear to be anything paid for them, but still they are here, and you are welcome to them. I could find no checks to correspond with the payments of them, but I brought those along. They do not enter at all into that \$73,000. I have here a note dated June 26, 1872, reading as follows: "On the 1st day of January, 1873, the El Paso Stage Company promises to pay W. H. Farrar or order \$10,000, with interest at 10 per cent. per year. (Signed) F. P. Sawyer, for the El Paso Mail Company. C. M. Lockwood, surety," and indorsed: "Without recourse. W. H. Farrar."

Also, note of F. P. Sawyer, dated June 26, 1872, for \$10,000, in favor of W. H. Farrar, with interest at 10 per cent. per annum, indorsed: "Without recourse to me. W. H. Farrar."

Also, another note of F. P. Sawyer's, dated June 26, 1872, favor of W. H. Farrar, payable on the 1st day of July, 1873, for \$5,000, with interest at 10 per cent. This also is indorsed: "Without recourse. W. H. Farrar."

Q. I will get you to state if it does not appear that there are no receipts or indorsements of payments on such notes, nor indications of cancellation, nor are there any checks corresponding to the last three notes.—A. I will state that there does not appear to be any payments by checks or otherwise on those last three notes.

Q. And no evidence of payment except the possession of these notes among his papers?—A. Precisely; there is no evidence at all that we have that they have been paid, excepting the possession of them.

By the CHAIRMAN:

Q. Can you tell the committee who has attended to Mr. Farrar's business?—A. I cannot; I do not know at all about that.

Q. Who was Mr. Farrar's partner?—A. Mr. McKibbin, I suppose. These notes are given to Farrar & McKibbin.

Q. I have heard another name; I think Hobbs.—A. He may be interested with Hobbs, because Hobbs was a contractor. He was not a mail contractor, though, but a contractor for carrying night-soil. He may have been a partner of Hobbs; that I do not know.

WASHINGTON, D. C., April 11, 1876.

THOMAS HOOD sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. I reside at 810 Twelfth street, in this city.

Q. What is your occupation?—A. I am the register, or auditor, of the supreme court of this District.

Q. What has been your occupation heretofore, before you were register of the supreme court?—A. I was claim-agent and attorney in the city here for some years, and before that I was a resident of the State of Wisconsin. I was a practicing lawyer there for several years, and was a judge of the county court of Dane County for several years also.

Q. How long have you resided in Washington?—A. About eight years.

Q. Your residence dates back to 1867, then, I suppose?—A. I would say 1869. My home proper was in Wisconsin, perhaps, until later than that, although I did not go there. I did not intend, when I came here, to stay here; that is, when I came here the last time. I sort of drifted into my residence here, without any original purpose to stay here.

Q. What was the character of your practice as a claims-agent?—A. I think it embraced about all the varieties of practice here. I had claims that I represented, and I represented the interests of parties before the Department to some extent, where they employed me.

Q. That embraced the different Departments, I suppose?—A. Yes, sir.

Q. The Post-Office Department, as well as the others?—A. Yes, sir. I have had very little to do in the Post-Office Department since the period of my settling here. I used to, say from 1862 on until this time, or on to the time I settled here. I used to come and go, and then my business was more with the Post-Office Department and the War Department than it has been since.

Q. That was up to what date?—A. I should say up to about 1867 or 1868.

Q. What were your relations with the Post-Office Department after that?—A. I had no personal relations with them and I had no official relations. I never had any official relations with the Post-Office Department.

Q. You don't mean personal; you mean official.—A. I mean official. I went, when I had business, to the various subordinates of the Department.

Q. What department of the Post-Office Department did your business come before?—A. In the contract department.

Q. What officers?—A. The Second Assistant Postmaster General largely, and occasionally with the Postmaster-General.

Q. Please to give the names of whoever was Postmaster-General, or Second Assistant, or contract-clerk.—A. Governor Dennison was at one time Postmaster-General, and I transacted business in the Department with him and Governor Randall; and Mr. George McClellan was the Second Assistant Postmaster-General, with whom I transacted business.

Q. Were your clients the contractors for carrying the mails?—A. Yes, sir; mainly.

Q. Will you please inform the committee what contractors you were employed by?—A. I was employed by Mr. Barlow. I was employed by F. P. Sawyer and his partner, Mr. Ficklin, and I was employed by Jerome J. Hinds.

Q. Did the employment for those individuals extend through all or part of this period that you speak of as having your residence here?—A. I was not employed but in one or two cases by Mr. Hinds, and was employed, perhaps, in three or four by Mr. Barlow.

Q. Will you please state now the cases of Mr. Barlow that you were employed in—what particular routes or contracts?—A. I cannot.

Q. Or the particular kind of cases that you were employed in?—A. I can give you an idea of what the nature of my employment was, but the particular cases I cannot.

Q. Well, the nature of your employment.—A. My employment was mainly to arrange, if possible, to get his pay; that is, his service increased, and the consequent or incidental increase of pay.

Q. Was that confined to any particular route, or was it a general roving commission?—A. No, sir. I think Mr. Barlow called upon me whenever he thought he had anything for me to do that I could do for him.

Q. Can you not call to mind any case?—A. I cannot. I kept no memorandum of my business. That was a period when I was not living here.

Q. At what time was that commenced?—A. I should say it began along in 1865 or 1866; after the war, I am sure.

Q. To get increase of service?—A. Yes, sir.

Q. How did you get increase of service?—A. By applying to the officials; by making up such a statement of the case as we supposed would insure the result. Very frequently the subject was talked over with Mr. Barlow and myself, if you please, and we would agree that if certain influences or recommendations, local and otherwise, could be brought to the consideration of the Department, that it would be sufficient to warrant them in awarding increased service, and, as a consequence, increased pay.

Q. Then you would go to work and get up the recommendations that you conceived to be proper that would influence the Department in a certain case, and you would take them and present them?—A. Yes, sir.

Q. Is that the only means that you used for the purpose of procuring an increase of service?—A. The only means, sir.

Q. Can you give the committee an idea of how much Mr. Barlow paid for services of that kind?

The WITNESS. To me?

The CHAIRMAN. Whether he contracted with you by the year or by the case.—A. Mr. Barlow paid me pretty liberally, but I don't know how much he paid me, and I cannot approximate it.

Q. You cannot approximate it?—A. I cannot, sir.

Q. When was the last money you received from Mr. Barlow?—A. I should say in 1869, but I am not quite certain. Perhaps it would be just as well, if you desire me, to state just what would give you something like an understanding of my position as to time. I had very little to do for any of those parties, although they are, perhaps, contractors yet, all except Mr. Sawyer, after the present administration came into power, I had very little to do with any of them. They seemed to think, and I thought myself, that my usefulness to them had, perhaps, faded out.

Q. When the present administration came in?—A. Yes, sir.

Q. Do you mean the present administration of the Government, or of the Post-Office Department?—A. I mean of the Government.

Q. You mean Mr. Grant's administration?—A. Yes, sir. I did very little there afterward. There was an entire change of the officers of the Department, and those that came in seemed to—

Q. Seemed to ignore you, do you mean?—A. No. I don't know that they did. I don't know that I gave them an opportunity, but I thought that my opportunity had ceased to be useful to those men—as useful as it was necessary to be.

Q. You thought you possessed advantages for conducting his business before the old officers that you didn't have before the new?—A. No, sir. This was the idea. They came in for the purpose of reducing service. A good deal of that service I had been instrumental—and the papers on file will show that I had been instrumental—in getting increased, and I didn't think I could be useful with the *officia* whose main business it was, or seemed to be for the moment, to reduce the service that I had got increased. That was my idea exactly; that I stood in that sort of attitude before the incoming administration that would, perhaps, prejudice the interests of those parties rather than promote them.

Q. Do I understand you to say that you possessed any peculiar advantages over other persons?—A. Not that I am aware of, sir, but having done it, finding that these things were questioned, and the action of the Department was to reduce them, I didn't think I could be useful to my clients.

Q. You think in 1869 was the last money you received from Mr. Barlow?—A. I think so, but I am not quite sure about that. On reflection, I think it was the last money that I received for any service for Mr. Barlow, but he loaned me some money since then. I guess we had two transactions since then, and both of them involved a loan of money to me. One of them I borrowed outright \$3,200 of him, and gave him security that I supposed was good at the time, and he supposed it was; and the other was an accommodation of \$800.

Q. At what time was that?—A. I should say that was about 1872.

Q. Which; the \$3,200?—A. Both of them, about 1871 or 1872. I should say so, but they had no connection whatever with my services to him.

Q. Did you give him a note for that loan?—A. I did, sir.

Q. A note with collaterals?—A. One was a note with collaterals, and the other was a draft upon him that he has got now.

Q. In 1871 or 1872?—A. I would say that, sir.

Q. Then you think that is the last?—A. That is the last. I have had no transactions with Mr. Barlow since then.

Q. You went to him as a man who loaned money, did you, to borrow money?—A. I went to him as a friend, as a man who I knew had money, and I thought he would accommodate me.

Q. You didn't propose to do any service at all for him for it?—A. Not at all, sir; and he didn't ask me to.

Q. What time did your connection with Mr. Sawyer begin, your business connection?—A. I should say in 1865 or 1866.

Q. Can you call to mind now the first money that you received from Mr. Sawyer?—A. My first business transaction with Mr. Sawyer, I think, grew out of increasing the service from San Antonio to El Paso, and whenever that service was resumed after the war, would fix the date. I haven't it in my mind, but I would say 1865 or 1866. That service was disturbed during the war, broken up, and subsequently it was resumed, and the first service I rendered Mr. Sawyer was in connection with the resumption of that.

Q. Where were you living at that time?—A. I was living in Wisconsin.

Q. Did Mr. Sawyer live in Wisconsin?—A. No, sir.

Q. Had you any previous acquaintance with him?—A. No, sir.

Q. Please explain to the committee how it happened that he employed you.—A. Mr. Sawyer didn't employ me directly. Mr. B. F. Ficklin was the man who spoke to me, with whom I had had acquaintance years ago; and at that time I didn't know that Mr. Sawyer had anything to do with the service; as a matter of fact, however, I think, Mr. Ficklin was then arranging with Mr. Sawyer with a view of making a business arrangement in reference to that service.

Q. Had you any previous acquaintance with the Postmaster-General?—A. O, yes; I had known him for years.

Q. Did he live in the same town that you did?—A. Yes, sir.

Q. What was his name?—A. Governor Randall—A. W. Randall.

Q. How was that employment brought about; was it brought about by letter?—A. No, sir; I was here, and Mr. Ficklin came to my room.

Q. Did you keep a room regularly here?—A. No, sir; I was boarding here.

Q. At a hotel, do you mean?—A. No, sir; I was at a boarding-house. I was living where I am living now. Governor Randall, I think, was living there at the same time. The lady with whom we lived was a Wisconsin lady.

Q. What kind of a contract did you make with Mr. Sawyer?—A. I was going to say that Mr. Sawyer came in after the contract was made between me and Mr. Ficklin, and it seemed to be this, as I remember it; that some person had obtained a contract for carrying this mail, I think, once a week from San Antonio to El Paso, and I would say, without being too positive, that that person, as I understood, was, probably, here negotiating with Mr.

Ficklin, but, as I understood subsequently, that that person, whoever it was, to whom the contract was awarded, that Mr. Sawyer held a power of attorney from that supposed contractor, and that he and Mr. Ficklin were negotiating. Mr. Ficklin agreed to give me \$5,000 if I would get the service increased on that route from once a week, I think, to twice a week, or maybe three times a week. The record will show, if you refer to it, just what the service was; and, whatever the increase was to be, I was to receive \$5,000. He agreed to pay me that.

Q. He did pay it, did he?—A. Yes, sir.

Q. Ficklin or Sawyer?—A. I want to tell you how it was paid. After this arrangement was completed between Mr. Ficklin and myself, and I think after the work was done, Mr. Sawyer, whom I knew—I had seen him around here, just as I saw the gentleman that I saw here this morning when I came in—he was an old contractor here; I had seen Sawyer here, but knew him very little. He came in, and Ficklin proposed to give me Sawyer's acceptance for whatever it was. I think there were \$4,000, and to give me \$1,000 in money.

Q. Do you remember the date of that?—A. I don't; but that was my first transaction.

Q. In December, 1867, wasn't it?—A. It was the date at which that service on that route was ordered up by the Post-Office Department. It was not consummated on that day, but it was about that time. That was the transaction out of which it grew.

Q. That was the first transaction?—A. That was the first transaction with Mr. Sawyer.

Q. He gave you an acceptance of \$4,000?—A. Yes, sir.

Q. What has become of the other thousand?—A. Mr. Ficklin paid it to me in money.

Q. You got the service increased?—A. I did, sir.

Q. From, you think, once to twice a week?—A. I would say that; or from once to three times a week.

Q. Can you call to mind now the next case of employment?—A. No, sir; I cannot, but I think I did all of that class of business that Mr. Sawyer had before the Department during the continuance of the administration, or until within a year of the close of Mr. Johnson's administration. I think I did whatever there was of it; whenever Mr. Sawyer got his service increased I think he got it through me.

Q. Was all the money that was paid to you by Mr. Sawyer for increase of service?—A. O, no, sir.

Q. What was the other employment?—A. Mr. Sawyer had gone through bankruptcy, or was about going through bankruptcy; I guess probably he had got through when he undertook this thing. Ficklin was broken in fortune; and out of that acceptance of Mr. Sawyer's of \$4,000 that I negotiated at a bank in Wisconsin—Mr. M. D. Miller's bank, at Madison, Wis.—I say M. D. Miller's bank; I am not certain whether that was the name of the bank. Mr. Miller was once a banker, under the laws of Wisconsin, at Madison, and he was the president of a bank that failed; it went out during the war, and he subsequently opened a private bank, and he retained his original name, that is to say, "The Bank of Wisconsin, at Madison," or something like that, up to a certain period, and he changed it, and called it "M. D. Miller's Bank;" and whichever it was, I had the draft negotiated, the acceptance, and it was paid; and subsequently to that time Mr. Sawyer, in order to raise money to meet his demands, would have me draw upon him to a certain extent, and I did so, and would negotiate his drafts and he would pay them; he would accept and pay them; and occasionally he would lend me his drafts, his acceptances, which I would have to provide for and pay. So that my transactions with Mr. Sawyer really were much larger in that direction than they were in the pay that I received from him for my services; growing out of these two classes of transactions: first, what I was drawing on him for his own accommodation, to raise him money; and his accepting for me for my accommodation.

Q. You say you drew on him for him to raise money?—A. I drew on him and took his draft, which he would accept, and then I would take his acceptances and negotiate them, and give him the money, to help him.

Q. You would take his drafts and negotiate them?—A. And send him the money or give it to him in order to enable him to raise means to stock his roads. He was insolvent, and had just gone through bankruptcy; so was Mr. Ficklin.

Q. Those drafts that were arranged that way would not be in his possession?—A. I suppose so, because he would take them up, you know. His acceptances, of course, he would pay, and I presume they would be in his possession if they were in existence; they ought to be.

Q. Have you any idea about the amount of money that was involved in those transactions?—A. No, I have not, sir; but it was very considerable.

Q. Have you an idea about the amount of fees that you received from him?—A. Yes, sir; I think I received about \$13,000.

Q. I notice among Mr. Sawyer's papers a number of drafts of the character you speak of, amounting to a much larger sum than that—\$38,000 or \$40,000.—A. I should think there was more than that; there ought to be.

Q. There ought to be more than that?—A. I think so.

Q. But all that money that appears on that receipt, you state, except \$13,000, was for his own individual purposes?—A. Or mine. He would accept for me, with the understanding that I would take care of the drafts when they became due; that is to say, I would remit

him money if he was not here. Of course, his was the first liability; and I also supplied him with money, I believe, with one exception, to take care of the drafts that he accepted for me for my accommodation; that is, I provided it in time. I think there was one instance where I did not, for some reason; he paid it, however.

By Mr. SLEMONS:

Q. He did all the accepting?—A. He did all the accepting.

Q. He accepted for your accommodation and for his own?—A. Yes, sir.

By the CHAIRMAN:

Q. The drafts, then, that appear among his papers would be those that he took up himself?—A. Yes, sir.

Q. Those that you paid would not be there?—A. If he accepted for me, I would have to send the money to him, and he would take up the draft; so that they would all be there, or ought to be.

Q. The last one of those drafts that I noticed was as late as April 6, 1870.

The WITNESS. What was the amount?

The CHAIRMAN. Three thousand dollars.

A. I think that is the one I failed on, that he paid for me.

Q. That he paid for you?—A. Yes, sir; \$3,000 was the amount of the draft that he paid for me, that I didn't provide the money for in time to meet it.

Q. Did you pay any money out for Mr. Sawyer?—A. No, sir, except what I paid to him.

Q. I mean did you pay out money for Mr. Sawyer to any parties?—A. No, sir.

Q. Was any money handed you by him to pay out to any other persons?—A. No, sir; Mr. Sawyer never employed me to use money for any purpose.

Q. The amount of fees that you received, \$13,000, did you divide those fees with any one?—A. I did not, sir.

Q. Did you ever use any money for the purpose of procuring an extension of his contracts?—A. Not a dollar, sir.

Q. Or to promote his business in any other respect?—A. No, sir.

Q. You were never an agent?—A. Never.

Q. Between him and other parties?—A. No, sir.

Q. Or for any purpose of that kind?—A. I think not; I don't remember it. I was entirely at the service of Mr. Sawyer, but I know I never was employed to pay money for him; I can say that positively; and I do not think that he employed me as a go-between in any way, only as I was assisting him to means to stock his road.

Q. Do you know of his employing any one else as a go-between?—A. I do not, sir. Mr. Sawyer was a peculiar man, I would state, in his manner of doing business; he was a very quiet man, and I suppose I was employed here for a year or more before I knew the fact that he was also employing Judge Paschal, and I incidentally inquired why it was, and he said he was employing Judge Paschal as his lawyer proper, and he was employing me as his business man more particularly, assisting him in getting his contracts.

Q. Did he explain in that conversation why he was making the distinction between the two?—A. No; that was not the point I made. The question was why he had never told me. And then he told me that he had never told Judge Paschal that he employed me. That is why I spoke of his peculiarity.

Q. Did you ever manage any legal business for him at all?—A. Not at all; nothing except what I have stated to you.

Q. Your employment, for which you received \$13,000, was entirely with the Post-Office Department?—A. Entirely.

Q. No other claim business?—A. Not a thing.

By Mr. LUTTRELL:

Q. You were acting as his business agent in the Post-Office Department?—A. No; not necessarily, beyond what I am speaking of.

Q. Then he had informed you that Judge Paschal was his attorney?—A. No; I found that out without his telling me.

Q. Then, as his business agent here to disburse money for him, to receive and pay out money for him, did you ever consult his attorney in the absence of Mr. Sawyer, or while he was here?—A. I never did. Mr. Sawyer was here also, attending to his own business as I supposed. He never used me only when he wanted his service increased or when he wanted money to meet the requirements of his business.

Q. If he used you for that purpose, for what purpose did he use Judge Paschal?—A. I suppose for his legal purposes. As I said, perhaps, before you came in, about the time that I commenced doing business for Mr. Sawyer he had just gone through bankruptcy, and I think Judge Paschal, as I learned since, was his attorney in that proceeding.

Q. Do you not know that Judge Paschal attended to business in the Post-Office Department for him?—A. Not until very late, he didn't, I think. If he did, it was some time after I had been in his service. I don't think Judge Paschal appeared in the Post-Office Department while I was doing business.

Q. Did you inform any one here that you were acting as the agent of Mr. Sawyer in post-office matters?—A. I think not, sir.

Q. You think not?—A. Those of course that I was transacting business with.

Q. Did you hold a power of attorney?

The WITNESS. From Mr. Sawyer?

The CHAIRMAN. Yes.

A. No, sir.

Q. You held no power of attorney?—A. I held a great many powers of attorney from Mr. Sawyer, but not in his name.

Q. Then, with what gentleman in the Department did you transact business?—A. I have answered that; with the Second-Assistant Postmaster-General, who was in charge of the contract bureau.

Q. Who was that?—A. Mr. McClellan; old gentleman McClellan here, and with the Postmaster-General, Governor Randall.

Q. Have you transacted any business since Mr. Randall went out?—A. Not directly, I have not.

Q. Have you indirectly?—A. I will tell you what I have done.

Q. I want you to just answer my question. Have you directly or indirectly transacted any business?—A. If you will allow me, I will answer you to your satisfaction.

Q. Answer "yes" or "no," and then you can go on and explain.—A. Yes, I have. It was this: I don't know at what time this thing was inaugurated, but at some period, as I understand it, since the incoming of this administration the law was made to provide that bidders, to prevent what they called straw-bids, should put up, I think, 5 per cent. of the amount of their bids, upon contracts of a certain magnitude. Now, I am not sufficiently familiar with the law to know just when that became a law, but Mr. Sawyer, I will say along in 1870 or 1871, brought me quite a number of powers of attorney from men that I never knew or heard of, authorizing me to represent their bids in the Department and telling me—this was immediately preceding a letting—Mr. Sawyer telling me that these parties had put up their certificates of deposit, as required under the rule, for the 5 per cent. of the bids, in the event that the contracts were not awarded to them, or in the event of their being awarded to them, and they complied with the contracts entered into with the Government, that I should go and receive these warrants and return them to him.

Q. You mean drafts?—A. I think they were certificates of deposit.

Q. Did you transact any business in 1872?—A. I would say that that was the only business that I transacted in the Department for Mr. Sawyer in Washington since this administration came into power, and they ran through two lettings, or one letting and a part of another letting, or something like that.

By the CHAIRMAN:

Q. You were acquainted with the contract-clerks in the Department at the time you did business in the Department for Mr. Sawyer?—A. Yes, sir.

Q. Do you remember who they were?—A. I remember who was chief clerk, and I guess I will confine my answer to him. The chief clerk of the contract bureau was Mr. Van Buskirk. I knew him, but I don't think I did know much about—not enough to name—any of the subordinate clerks or the clerks of the districts. I believe they had the country sort of districted then.

By Mr. SLEMONS:

Q. Divisions?—A. Yes, sir; divisions, or something of that kind.

By the CHAIRMAN:

Q. Did you do business with the clerks frequently?—A. No, sir; I never did any business with any clerk except to go and inquire what had been done in a case.

Q. The question I asked you a while ago in regard to paying a consideration to get any business done in the Post-Office Department referred to clerks as well as divisions?—A. I never paid a cent to any one, to my knowledge.

Q. Either outside or inside of the post-office?—A. No, sir.

Q. Was there any particular reason why your services were valuable except your knowledge of the laws of the Post-Office Department?—A. I know of no reason.

Q. Had you ever done business in the Post-Office Department before this period?—A. No, sir; I never did.

Q. Were you familiar with the working and the laws of the Post-Office Department?—A. Not particularly.

Q. You had never appeared in the Department before your employment by him?—A. Not to any extent, sir.

Q. You were employed by Mr. Ficklin first?—A. Yes, sir.

Q. Where did your acquaintance with Mr. Ficklin begin?—A. My acquaintance with Mr. Ficklin began years ago in Saint Louis. Mr. Ficklin, I think, was then carrying the overland mail, I guess to Salt Lake. I knew generally that that was his business there, and I got to know him very well; we had a very pleasant acquaintance for several months in Saint Louis.

Q. Where did you meet him when you made this contract or employment?—A. Here; he came to my room. I had not seen him or had any word of him for many years.

Q. Did he tell you that he had been directed to you by any one?—A. No, sir.

Q. Did he give any reason to you why he came to you, particularly?—A. No; I think not. He is a genial and clever gentleman in his relations, and very kindly.

Q. You had no office here at any time?—A. I had no office.

Q. Did not advertise here as doing business?—A. Nothing of the sort.

Q. You were simply on a visit to the city?—A. No; I was here transacting some business in the War Department; that is what I came here for. I was here several months closing up some quartermasters' accounts and paymasters' accounts, and such things.

Q. It was at that time that he employed you and gave you \$5,000 to get the service increased on the El Paso?—A. Yes, sir.

Q. And the service then continued for the next two years or more?—A. I should think so.

By Mr. LUTTRELL:

Q. Did he have any other attorney employed at that time to assist in getting the service increased on the El Paso?—A. I think not, sir.

By the CHAIRMAN:

Q. Are you acquainted with a man of the name of Wm. T. Clark?—A. I simply know who he is.

Q. Do you know anything about his employment by Mr. Sawyer?—A. I do not.

Q. Do you know anything about any transactions between Mr. Sawyer and Colonel Farrar?—A. No, sir.

Q. Or Mr. Lockwood?—A. No, sir; I knew Mr. Lockwood and I knew Farrar, but don't know anything of their transactions among themselves.

Q. Do you know anything about any transactions with Mr. Wolverton?—A. No, sir.

Q. Or Mrs. Stewart?—A. I think not. I don't think I recollect Mr. Stewart at all.

Q. It is a Mrs. Stewart, a woman.—A. No, sir; I don't know anything about her.

Q. Did you ever purchase bids for Mr. Sawyer?—A. I don't know that I did. If he wanted me to do it I may have done it. I deferred entirely to him, just as I said in reference to that last transaction. I had his power of attorney, and I had powers of attorney for parties that I never heard of before or since. I transacted business with the Department upon them, and I returned the proceeds of that business to Mr. Sawyer. I never heard of them since. I may in that way, in the abundance of my confidence with Mr. Sawyer, because everything that I did with him turned out right as between him and me—I may have done something of the kind without its really making any impression upon my mind.

Q. What was this money used for which you drew on him, the proceeds of which you got which you sent to him?—A. He gave me to understand that he needed that for the purpose of buying stock, and paying the expenses of beginning his business. That was the way he gave me to understand that it was to be invested, and, as I know, it was in fact; that is, I say I know it; I do not know what he did with it, but I imagine it.

Q. Was his mail-pay not sufficient for that purpose?—A. Yes, sir; but he had to do the service before he got his pay, in some instances.

Q. He would get his pay the first quarter, would he not?—A. I suppose so; but I think if you will look at Mr. Sawyer's business you will find that he was increasing his business very rapidly all the time; and I think the necessities, as long as I was connected with him in any way, existed, and he needed money all the time; at least he gave me to understand that he did.

Q. I notice one of the checks in his possession is dated August 7, 1868, or rather a receipt, I believe it is, on account of professional services, &c., \$6,100.—A. Well, I cannot account for it. I know I never got any \$6,100 from him at any one time. It may be that we had, as we did occasionally, sort of odds and ends of a variety of transactions that would accumulate on our hands, and we would sort of close them up in that general way. Whether there were any receipts passed or not I do not know.

By Mr. LUTTRELL:

Q. Did you ever have any conversation with Mr. Sawyer in relation to his transactions in the Department?—A. O, yes; I have had a great many.

Q. Did he ever complain to you that he was being black-mailed by parties in the Department?

(Question objected to by Mr. Cannon, on the ground that Mr. Sawyer is now dead. Objection sustained.)

Q. Have you ever heard Mr. Sawyer say, or heard from any source whatever that Mr. Sawyer had made any payments to any parties in the Department or out of the Department, to secure mail-contracts?

(Same objection and ruling.)

Q. Have you any such knowledge, directly or indirectly?—A. Nothing, except what Mr. Sawyer told me himself. I am rather inclined to think that he told it to me in the confidence of an attorney.

Q. Are you an attorney?—A. Yes, sir.

(Mr. Cannon objects, and moves to strike out the answer of the witness, "I am rather inclined to think that he told it to me in the confidence of an attorney.")

The CHAIRMAN. He says he knows nothing, except what Mr. Sawyer did tell him. That may go down. You object to his telling what Mr. Sawyer told him?

Mr. CANNON. Yes, sir.

By the CHAIRMAN :

Q. [Handing witness a receipt.] Is that the receipt that you allude to?—A. I really have no recollection of this receipt.

Q. That is your signature?—A. Yes, sir; this is my writing, all of it.

Q. What is the date of the receipt?—A. August 7, 1868. Mr. Sawyer and I periodically had a sort of looking over of our affairs. I think that things that had not been adjusted were treated as settled in some way; and I imagine that this is one of those transactions; but I do not know anything about it. And I would state again, Mr. Chairman and gentlemen of the committee, that this may have arisen in another way. Mr. Sawyer's partner, Mr. Ficklin, was in Texas, and he sometimes wanted papers so shaped that Mr. Ficklin would be given to understand the nature and extent of our transactions, and I know we sometimes put papers in that form. Whether this was of that nature or not I cannot tell.

Q. Sometimes put papers in that form?—A. For the purpose of keeping them so that Mr. Ficklin would understand them; so he could explain them to Mr. Ficklin when he met him, or wanted to settle with him, or whatever else it was. I do not know anything about this particular transaction now; I do not recall it.

Q. Did you receive that amount of money?—A. I have no idea that I ever did, at any one time. I know I did not.

Q. You know you did not?—A. I know I did not. I never received any money of Mr. Sawyer; any sum of any amount. Our transactions were all—except the thousand dollars that I received of Mr. Ficklin—in the nature of acceptances.

Q. And you imagine that it was just simply to keep an account of expenses?—A. I think so. I think it may have arisen in that way; but there was another class of transactions between us that would sort of run along.

Q. What was the other sort of transactions?—A. Little acceptances, for instance, that he would fix up in some way and put into a big one. For instance, here was an acceptance, or two, or three, that were coming due in June, and he wanted to run over his mail-pay occasionally, and we would fix it up. I know that kind of transaction occurred once; that two or three drafts were consolidated and put over until he got his pay for the quarter ending June 30, if you please, and he did not want to have them come back to be paid before that period.

By Mr. AINSWORTH :

Q. Had you any arrangement whatever with Mr. Randall by which you exerted any influence over the mail-service?—A. Not that I know of, sir.

Q. Had you and he any business relations?—A. Not any, sir; but Mr. Randall and myself were very friendly. I think he had confidence in my representations, and when I represented a thing to him, if it was fair, he was inclined to favor me.

Q. Did he in any manner receive any consideration or benefit from you from matters connected with the post-office or post-roads?—A. Not in any way in the world, sir; not the smallest.

By Mr. CANNON :

Q. You spoke of getting the service expedited upon the El Paso and San Antonio, was it?—A. Yes, sir; I think so.

Q. How did you get it expedited; upon your own request, or did you have it backed up by recommendations, and a case made out?—A. I think that there was quite an amount of recommendations; I think it was mainly military. The service was resumed, as I remember, after the war, and the military posts along the border seemed to be the public interest most desirous to secure these services; and I think the post-office files, perhaps, will show that the military posts that were to be supplied by this service were demanding that the service be put on, and that it be increased.

Q. I will ask you the general question, in the various services that you performed, up to the commencement of Grant's administration on the 4th of March, 1869, in getting the schedules increased, or additional trips, whether you did it solely by virtue of your personal influence, without making a case, or whether a case was made up and you presented the papers?—A. I think always there had to be papers made up, and had to be petitions and recommendations.

Q. Showing the propriety of the service?—A. Yes; I think so.

Q. I understand you to say that a great many of those drafts you have spoken of were drafts drawn by you, and negotiated by you in Wisconsin, for the accommodation of Mr. Sawyer?—A. Yes, sir; and some were negotiated in this city.

Q. And in turn you, being in want of money, would frequently draw on him, and he would accept for your accommodation?—A. Yes, sir.

Q. Do I understand you to say that the amount of fees that you had during the whole of that time was \$13,500?—A. There was something over \$13,000 and under \$14,000; that was the amount of fees, independent of these two classes of transactions—his accepting for me for my accommodation, and my drawing upon him, becoming the drawer for his accommodation. Outside of that, my fees were less than \$14,000, and a little more than \$13,000. I have not the memorandum of the account, but I have looked it over, and seen how much I received.

Q. Do you mean to say that is all the fees you ever received?—A. That is all.

By Mr. AINSWORTH:

Q. About the \$3,000 draft that you did not provide for, has that ever been paid to Mr. Sawyer's estate?—A. No; I paid it to Mr. Sawyer afterward in money.

By Mr. MILLER:

Q. You say that the \$13,000 is all the fees, aside from what you received from this business transaction. Now will you explain a little more about that business transaction, and on what rule it was entered into?—A. What business transaction do you refer to?

Q. Drawing drafts on each other?—A. He did not draw on me; I drew on him. It amounted to this: Mr. Sawyer was getting his service increased all the time, and needed more money than he could command; and I think at one time I held an assignment of his mail-pay pending the existence of a considerable amount of these drafts.

Q. What I wanted to know was what compensation you got from that business?—A. As a matter of fact I never got any compensation for the business, only, perhaps, I think he was a little more liberal when he came to adjust the compensation with me for services that I rendered; for there were but two items that I ever rendered to Mr. Sawyer that I regarded as of great value to him; one was this service in increasing the service upon the El Paso road, and the other was establishing the service from Fort Smith to Fort Concho.

Q. I understood you to say Mr. Sawyer was bankrupt?—A. He was bankrupt when he began.

Q. And your drawing drafts on him for his acceptance made yourself responsible?—A. I had an assignment of his mail-pay. He had got the service ordered up, so that his mail-pay was to be, I think, \$100,000 a year.

Q. What rate of interest was Mr. Sawyer paying on money raised in that way?—A. I do not know. He paid me no interest. I never charged him anything that I know of. I think, as I say, he would say, "Well, you have done a clever thing here." And in settling my compensation for any services that I rendered him he would make some account for the interest I had taken in this thing. When Mr. Sawyer got through with me, got where he did not need any of that kind of accommodation, he took up his assignment to me of his mail-pay.

Q. Those drafts were not discounted?—A. Sometimes they were. After a while they began to be desirable paper; after it got to be known that they were paid here, and that this man Sawyer was a large mail-contractor, as I took occasion to have it known, and was getting his pay periodically, I had no trouble in negotiating his drafts.

Q. In some of the drafts that Mr. Sawyer had discounted at Boston he paid the regular interest and 2 and 2½ per cent. a month for risk; did you know of that?—A. Nothing at all. I think that the money that he raised through the drafts that I negotiated for him, or the acceptances, perhaps in no case cost him more than, say, 10 per cent. per annum, the usual bank discount.

Q. You stated that your services substantially ended at the Post-Office Department after the present administration came in?—A. Yes, sir.

Q. Because you were not as well acquainted with the new Postmaster-General as with the old?—A. No, sir. As I said, a good deal of the service that I had been instrumental in getting for Mr. Sawyer was suspended. I know I declined, and suggested to Mr. Sawyer that I could not be useful to him any more, and that we would close our affairs as rapidly as we could. I know I had such a talk with him, and he ceased to employ me, at my suggestion. My idea was that reducing the service, and, consequently, reducing the pay that I had procured for him to receive during the preceding administration, would put me in an attitude that I could not be useful in getting it restored. His object was then to get some person who would probably be able, if not immediately, very soon, to get that pay restored, and I would perhaps not be the man.

Q. At that time he employed Mr. Paschal, probably?—A. I think he employed somebody else, but I will not be certain.

WASHINGTON, D. C., April 13, 1876.

JOHN L. ROUTT sworn and examined.

By the CHAIRMAN:

Question. I believe you had at one time a connection with the Post-Office Department. Will you state to the committee what that was, when it began, and what the different positions were that you held?—Answer. I was sworn into the service as Second Assistant Postmaster-General, on the 17th day of October, 1871, and remained there in that position until about the 15th day of February, 1875. I do not remember the exact day that I resigned.

Q. Who preceded you?—A. General Giles A. Smith was my predecessor.

Q. Where was your residence when you were appointed?—A. I lived in Springfield, Ill., at that time. I was United States marshal in the southern district of Illinois when I was appointed Second Assistant Postmaster-General.

Q. What is your place of residence?—A. It was at that time in Springfield. My permanent home was at Bloomington, but I had to live in Springfield while I was marshal of that district.

Q. Were you acquainted, previously to that time, with Giles A. Smith, the former Second Assistant Postmaster-General?—A. Yes, sir; he lived at Bloomington, my former home.

Q. Were you appointed Second Assistant Postmaster-General on your own application, or simply by the recommendation of friends?—A. By the recommendation of friends.

Q. Had the Second Assistant Postmaster-General anything to do with that appointment in the way of recommendation?—A. I think he had. He was a friend of mine, living in the same town, and went into the Army from there.

Q. Please tell the committee whether there was a mail-letting soon preceding or subsequent to your appointment—an award of contracts, I mean.—A. Yes, sir; there had been. I do not remember now all of the States that were included in the general grand division. You understand the thing is divided into four grand divisions, one of which goes into operation each year. They contract for four years. The section in which Texas belongs went into operation in July, 1871, and the other States belonging to that general grand division.

Q. Do you remember which States?—A. I do not remember, but that is a matter of record; I think, perhaps, Arkansas, Louisiana, Mississippi, Texas, and I think at that time, maybe, Missouri was in that grand division, but I would not be positive about that. Perhaps Kentucky and Tennessee may have been. The service that went into operation had been advertised for before; bids opened in the spring, and contracts awarded, and the service went into operation on the 1st of July.

Q. What was the first letting after you went in—what division?—A. I think a part of that division was advertised and let by reason of the failure of the contractor to enter upon the contract—a failing bidder. I will state here that there were a great many failures by reason of straw-bidding in that section, and particularly in Texas; there being longer routes there—more expensive routes—than anywhere else; there seemed to be more of that sort of thing. There were a great many failures, and the temporary service was also let for six months; then it was re-advertised, which advertisement was prepared before I went there, and I think we advertised twice, perhaps, before we finally succeeded in getting permanent contracts for the remainder of the term, by reason of this same system of straw-bids.

Q. Were the largest routes in Texas thrown up generally, or were they continued?—A. The bidders generally failed to enter upon the service.

Q. There were straw-bids upon all of those routes?—A. Yes, sir; they bid down to a song.

Q. Do you remember about the El Paso-Sawyer route?—A. Fort Concho and El Paso?

Q. I believe that is the biggest route down there?—A. Yes; that is the longest route, and cost the most money. I remember something about it.

Q. Was that thrown up on account of straw-bids?—A. Yes, sir.

Q. Was there any investigation by the Department into the manner in which the bidding was made on that route, as regards the straw-bids?—A. Yes, sir.

Q. What conclusion was reached?—A. I will not say about it at that time, because I was not there, but after that there was an investigation. The postmasters were written to and special agents sent out, and it was ascertained that a great many bids that had been certified by postmasters were found to be forgeries. That was subsequent, though; that, I think, was in 1872, perhaps.

Q. But in regard to the same letting?—A. In regard to the same letting, before it was finally completed.

Q. Do you remember whether that applied to the Fort Concho route or not—those certificates of postmasters, the forged bids?—A. I do not remember that there was any forged certificate there, though there may have been.

Q. You just remember, generally, that there were forged certificates on the routes in the Department?—A. Yes, sir; a great many.

Q. Did the Department ever ascertain who forged those certificates?—A. No, sir; they never ascertained; never were able to find out who it was. The men that had them forged turned out to be men of straw in every case, I believe. I do not think there was a single case where we were ever able to fasten on anybody.

Q. Did the Department keep any record of the men they found were straw-bidding, and forging those bids?—A. They never found out who was straw-bidding.

Q. What did they find out?—A. They simply found out that there was a large number of straw-bids in the names of persons whom we were never able to find anything about.

Q. You were not able to trace those names to any men?—A. We were not able to trace the ear-marks to any contractor.

Q. You did not find in your investigation where any contractors had used these straw-bidders?—A. No, sir; we could not trace it. Of course we were pretty well satisfied in our own minds. We could tell by the men that were straving on the route; that is the only thing we could get at in that way.

Q. Then there was no action taken by the Department in regard to it at all except to get the information?—A. I will not say that there was not, because possibly there was; with the amount of business I transacted I do not remember; but there is a possibility that we may have prosecuted one or two persons, or even more, but I do not now remember. My recollection is that we were not able to find anybody.

Q. Do you remember any single instance, during your administration as Second Assistant Postmaster-General, where any contractor was interfered with in any contract that he made on account of having used straw-bids?—A. No, sir; I do not remember any; I do not remember one now.

Q. Then the straw-bidding, if it was used for a purpose all, was successful—it was not interfered with?—A. It was interfered with as much as we could get at it, but they played it so smart we could not catch them. We were the last persons in the world they would let know anything about their arrangements to cheat the Department, or to get contracts to suit them. We did everything we could do.

Q. How did you know these were straw-bids?—A. We knew they were straw-bids simply because we never could find any such persons. For instance, a man would represent himself to live in a certain town. We would send a man through that town and he would find out that there never was any such man there. We did not absolutely know, but we had the best evidence in the world, except an actual knowledge on the subject. That is the only way; we could not positively tell.

Q. Did no special agent of the Department ever trace up any one of those cases and find who had put in those bids?—A. No; I do not think they were ever able to do it; but I say in one or two instances they may have done it. I will not say they did not in any single case, but my recollection is they were never able to find anybody.

Q. In the letting of the special service after these straw-bidders failed to execute the contract when it was awarded to them, what was the rule in the Department during your administration as to the price that the special service was let at—the temporary service?—A. We made the temporary service at the lowest figure we possibly could; and later in my administration there was a law passed, and I think passed at my suggestion, confining the Post-Office Department to the last previous regular contract term.

Q. Confining you to the price for that?—A. Yes, sir; to the price in this temporary service. It could be let only for six months, and the price paid for it was limited by the previous contract term.

Q. It was not to be higher than the old contract-price?—A. No, sir; but these contractors on routes of any considerable size had the Department in their power completely. No man would start a route with a heavy expense without some sort of guarantee that he should have the service longer than six months, and the consequence was the Department was at the mercy of the men who had the stock on the route.

Q. Who was the largest contractor in Texas at that time?—A. I think Mr. Sawyer. Mr. Sawyer had been the largest contractor there for a great many years. A great deal of the service there under Mr. Randall's administration was at very high prices which were generally cut down; early in Mr. Creswell's administration he cut off a very large amount, amounting to \$100,000, may be, on the Fort Concho and El Paso and its branches.

Q. Before or after you came in?—A. That was before.

Q. Was the service on those routes increased after you came in?—A. I am not positive about that, whether they were or not; I think Mr. Creswell cut them down, and I think the delegation from Texas, and the military, and one thing and another, got him to put back before I went in there, a portion of it. I think, my recollection is now, on that route that it remained; I do not think there was any increase there after I went, but I am not positive about it.

Q. The Fort Concho route is understood to extend from Fort Smith out?—A. Yes, sir; it was a general through line for all that country. It was really the connection between Mexico and that portion of Texas and the city of Saint Louis, where they transacted most of their business.

Q. There was a contractor on one of those routes from Corpus Christi to San Antonio named William D. Kittle?—A. Yes, sir.

Q. How long did he have that? Did Kittle have that route when you came in?—A. I do not remember about that. He had it, I remember, and gave us a great deal of trouble; I do not remember when he got that route.

Q. He gave you a good deal of trouble?—A. Yes, sir.

Q. Please state to the committee how he gave you trouble?—A. He gave us trouble in the first place by trying to get the service put up, and did get it put up; Mr. Creswell put it up to six times a week. Judge Hancock and everybody down there that was in Congress, I think every single member signed the petition; I may not be absolutely correct about that, but it was a very large petition, asking for an additional trip and an expedition of the schedule. Mr. Creswell gave them both. By the way, Senator Flanagan urged it very strongly, and upon those petitions and the indorsements on the petitions there was an additional trip or more, perhaps more than one, maybe several; and Judge Hancock came in one day (I made his acquaintance when I was down in Texas during the war) and said, "Routt, that is a fraud." Said I, "Why so?" Said he, "When I indorsed these petitions they only asked for one trip; there was nothing said about an expedition of the schedule." Said I, "Is that so?" He said it was. I sent for the papers, and in the heading of every single petition it was very plain on them all that they had been marked. Judge Hancock went through with me, and we found that somebody, after these indorsements were made, had changed it from the way they had recommended. We went right in and Mr. Creswell cut it off at once. Then all sorts of representations came in there that he was not performing his service right.

Q. Let me understand the first part of that. After they had made the recommendation, when he brought it to their notice, they discovered that it had been changed, and they notified the Department of that fact?—A. Judge Hancock came into my room. The judge and I have been acquainted for a good while. I relied on the judge a good deal about the routes in that country, as he was a man that would not misrepresent anything to me, and I have sometimes sent for him when I wanted to satisfy my own mind about the Texas country. The judge found out this thing somehow, and he came down there, and told me it was a fraud; that he never had asked for so much service as that; so I sent for the papers, and brought all the petitions, perhaps half a dozen or a dozen petitions, from different points along that line of road, and opened them, and it was very plain to be seen that the number of trips (the figures) had been changed.

Q. Could you tell what the figures were that had been changed?—A. No; they had been marked out.

Q. Been erased?—A. Been erased, and an insertion put in. I sat down there, and the judge and I ran through them. Holding them up to the window, it was just as plain as could be that they had been changed.

Q. You called Mr. Creswell's attention to it?—A. Yes, sir, and he cut the service right off.

Q. Do you mean cut it down to what it was before?—A. No; I think there was one trip more left on. That is what Judge Hancock and others had asked for; but the "expedition" was cut off.

Q. How long did that run before it was cut off, do you think?—A. I do not think it had run a week. It was done at once; as soon as we found it out it was cut right down to what they had recommended.

Q. Do you remember whether he was paid or not at that time for the increased schedule?—A. I do not remember. I suppose he was paid, because it was a contract.

Q. It was a contract on a fraudulent paper?—A. I suppose it was; but still I do not remember about that; I do not know whether that was the fact or not; I do not remember now.

Q. Did that occur in 1871?—A. O, no; my recollection is that it was in the winter of 1872-'73, but that may not be the time.

Q. Was any effort made by the Department to discover anything about the change of these figures?—A. Yes, sir; we tried to find out. This man Kittle said that was the way the petition was sent to him. He had his friends down there getting up these petitions—so he said; but they were sent to him in that form.

Q. From Texas?—A. From Texas.

Q. Did Judge Hancock or Flanagan sign them in Texas?—A. I think he did; I am not positive about that.

Q. Kittle denied, did he, having anything to do with it?—A. He said he did not do it.

Q. Was the Department ever in the habit, when frauds of that kind were discovered, of looking into it for the purpose of annulling the contract altogether?—A. Yes, sir; they were in the habit of looking into those things as thoroughly as they could.

Q. Were any of Kittle's contracts ever annulled?—A. Not entirely.

Q. It was just simply reduced down to the recommendation of Hancock and Flanagan, as they supposed they had recommended it?—A. No; there were others besides those two that had recommended them; but we aimed to be governed as much as possible by the recommendation of members from the different States and Territories. We had no means of getting at anything definitely except by the recommendation of the men who lived in the localities.

Q. Was any special agent sent down there to investigate the matter?—A. I think there was a special agent there investigating Kittle's matters when I left, and that was the third man that had been sent.

Q. The special agents that you sent down to investigate before you left, do you remem-

ber their names?—A. One of them was Cox; I think one was Owens—I am not positive. Cox went down there, and went over the route.

Q. Cox made a report that it was all right, did he?—A. Cox made a report, my impression is, that the service had been performed; that was the question. There were reports there, and postmasters had certified to the performance of the service; but we had reason to believe—at least it had been reported to the Department—that Kittle had not performed the service according to contract.

Q. I gather from what you say that he was considered in the Department as a slippery contractor?—A. He was, exactly, considered that.

Q. A man who would take any advantage that he could of the Department in any way?—A. Yes, sir; or any advantage of the postmasters.

Q. Do you remember in regard to the deductions and fines and the remittance on those routes; in regard to Kittle's route, first?—A. I do not remember anything particular about it.

Q. There has been some testimony by clerks in the Department here that fines were worked up by the subordinate clerks in the contract office.—A. Inspection clerks.

Q. Yes; that fines were worked up by the inspection clerks, upon the reports of special agents and other evidence that they had before them, and recommended fines or deductions, and that they were ordered by the chief clerk of that Department, or by the Second Assistant Postmaster-General, to remit the fines. The clerk in the Department had certain rules about making the fines, and those fines or deductions were made according to those rules, and they were then sent up to be approved by the chief clerk, and by the Second Assistant Postmaster-General, I suppose?—A. No, sir. We have what we call a chief. The contract bureau is divided into two divisions, one called the contract division and the other the inspection division. The contract division has charge of putting service on. The inspection division has charge of the reports of postmasters, and to see that the service is actually performed according to contract, by the reports made by the postmasters at the ends of the various routes. There is a head of this inspection division. The postmasters send their reports once a month, and when these reports come in, the clerks who have charge of that particular service take the reports and make up the case according to the postmaster's report. If there has been a trip lost and so reported, the price of that trip is deducted; or if a man does something that is willfully bad, they fine him; but that is seldom done; they generally just deduct the price of the half-trip, or the whole trip, or two trips, or whatever it may be. Then when these are made up they are passed to the chief of that department, who runs through and examines them so far as he can. Of course he cannot run through them in detail, and examine all the papers upon which these accounts are made; but he will run through them and examine them so far as he can, and see if the calculations are all made right, and then they are sent to the Second Assistant Postmaster-General to be initialed, and are reported to the Auditor for payment, subject to these fines.

Q. Please explain what is meant by "initialed."—A. It is an impossibility for the Second Assistant to examine in detail the cases. He could not get through with one one-thousandth part of the business, and each man has his place, and it is supposed when a paper goes to the Second Assistant that the details are all correct, and that it is made up according to the facts, and it is, I suppose, 9,999 times out of a thousand absolutely correct, subject, of course, to mistakes, errors of calculation, and all that sort of thing.

Q. They are usually correct?—A. Yes, sir.

Q. And are usually followed by the office, and sent to the Auditor as made up by those contract and inspection clerks?—A. Yes, sir.

Q. There are cases, however, I presume, in the Department where they have been made up by the inspection and contract clerks, and orders have been issued from the chief clerk, or from the Second Assistant Postmaster-General, to change that making up, either making a deduction or imposing a fine?—A. It is often the case that payments are made upon these reports, and they have gone to the Auditor, and new facts and evidence afterwards comes in to show that the deduction ought not to have been made, but for want of the evidence it was made, and very frequently by the consent of the contractor. He says, "Here, I want my money at the end of the quarter, and I must have it; I have got to pay my men." "But," they say, "you have got to be deducted so much; you did not perform the service." He says, "I did." "But where is your evidence?" "I have not got it, but I will get it for you." "Well, let it go; pass through and get your money, subject to the deduction, and then, if your papers are satisfactory, and show that you are really entitled to more money, bring in your evidence and you will get it." That is frequently the case. We established a rule finally, before I left there, that we would not make up the accounts until we had the returns of the three months previous.

Q. Have you ever given any orders to Mr. Sickles, an inspection clerk, in regard to deductions after he had made them, and had stated to you that he made them up properly from the evidence; did you ever give him any orders to go back and certify the papers, so that the contractor could get his pay?—A. I do not remember that I ever did, unless, as I say, I may have done that when additional evidence came in, or I may have submitted the case to the Postmaster-General. I never made any remission of any amount without submitting it to the Postmaster-General. Then I would tell Mr. Sickles, or anybody else that had it, that I had submitted that question to the Postmaster-General, and to make it up in accordance with whatever that decision might be.

Q. The reason I am asking the question is this : Mr. Sickles stated that he had made fines or deductions, one or the other, I do not remember which now, on a route in the northern part of Texas, called the Boston route, I believe?—A. Yes, sir ; I remember the route.

Q. And that he thought that, according to the evidence that was before him, a deduction ought to be made on that service, but that he received orders from you, probably through a clerk, to make up the certificates?—A. No ; I reckon he never swore to that.

Q. That is what I understood him.—A. He will not swear to anything that is not true. He is as honest a man, in my judgment, as lives—the best old man that I ever knew ; and he told me what he did swear to, and I guess you have got it a little wrong.

Q. You can answer that question, and state whether you ever did it.—A. I will state just how that was, if you will allow me to go a little back, and if it is not proper you can rule that part out that you think is not proper. When they were engaged in the construction of that railroad out there, there was a large number of operatives, and they asked for some increase of service on the route to supply those operatives, which was right and proper. It was indorsed by Mr. Giddings and Mr. Herndon, both of whom lived in that country, members of Congress. The service was put on, and afterward they ascertained that there had been some mistake about putting it on the route, so we just cut off the whole amount of increased pay for the increased service, and left it standing that way. Mr. Sawyer was in to see me a great many times about getting a remission of the whole of it, or part. He annoyed me a great deal about it, but I never would do it. Then they brought in a great many affidavits, which are on file, to show that the service was actually performed, although in making up the route, the clerk that made it up made some mistake about it, either on purpose or otherwise. I do not know anything about it but that we and cut it off. Then Sawyer, as I say, bothered me a great deal about remitting and paying for the service that he had performed. It never seemed to me that he ought to have full pay, but I was always satisfied that the man actually performed the service, and that he was entitled to a proper allowance, whatever that might be, but still I did not do it. Finally, I think in December, may be, 1871, after Mr. Jewell had been in quite a while, Sawyer came in one day, and I told him, "Now, Mr. Sawyer, I will take this and go in with you to the Postmaster-General, and you may state your case, and state the facts, and take the papers along, and," said I, "If you make any misstatement I will correct you ; and we will submit the matter to the Postmaster-General." Sawyer did not like me very well. We went in and submitted the papers to Mr. Jewell, and Mr. Jewell concluded that a fair compensation would be about two-thirds of what he would really have been entitled to, and then I told Mr. Sickles to make it up in accordance with Mr. Jewell's decision.

Q. After Sawyer had made the statement?—A. Yes, sir. There are a great many papers there ; I have examined the papers since I came here. Sawyer never did any business with me if he could help it. If he could get my chief clerk to transact it, he would always do so.

Q. Please tell the committee why Sawyer did not like you?—A. I do not know why he did not like me.

By Mr. LUTTRELL :

Q. Who was the chief clerk?—A. Mr. French.

By the CHAIRMAN :

Q. How did you know that Sawyer did not like you?—A. I could not tell just how, but I think I could tell if you did not like me.

Q. What did he do?—A. He would come in to Mr. French and always try to transact his business through Mr. French, and was always complaining that I never treated him as a man ought to be treated, but was always hard on him. He was in bad health for a good while, and was a little inclined to be nervous anyhow. I was, perhaps, more particular in that case, taking it in there to the Postmaster-General, than I would otherwise be.

Q. You spoke of regarding Mr. Kittle as a slippery contractor. How did you regard Sawyer?—A. I never saw anything wrong with Mr. Sawyer about the Department. He seemed to dislike me, but I never saw anything out of the way with Mr. Sawyer in transacting his business with the Department.

Q. Was that Kittle's reputation with the Department all the time you were in there?—A. O, I think not ; but there was a good deal of quarreling between him and some of the contractors down there.

Q. And there were reports from agents?—A. One side would find fault with the other ; that is the way the contractors generally do.

Q. Postmasters were writing to you?—A. Yes ; there was a good deal of correspondence about that route that I told you about.

Q. That was the reason those special agents were sent down there so often?—A. Yes, sir.

Q. You answer that he was a slippery contractor from that fact?—A. Well, that is not the right thing for me to say, that he was slippery. I thought it was my duty to watch him pretty close. I was not aware that he was slippery. There is the fact. Everybody can judge for himself.

Q. How long did you have that impression?—A. I do not remember the date of that particularly, but from the time that these letters commenced to come in there about the manner in which he was performing his service, whatever that date was. The evidence seemed to me—I was afraid he was not doing his work there as he had agreed to do.

Q. I understand that in all those things, whether in regard to Kittle or Sawyer or other contractors, where there were difficulties of that kind, you submitted the question before you made a decision, and gave an order to the under-clerks, to the Postmaster-General, and advised, and did what he said?—A. Yes, sir; I submitted every question almost, where it involved money to any considerable amount, in contracts and in everything that I did. I went in there late, after all the rest were all in. I was a subordinate, and desired to do my work as my chief wanted it done, and consulted with him. When there was anything that amounted to much, I always consulted with him. Of course smaller routes and smaller matters I took the responsibility. I did not annoy him with all those.

Q. I will get you to state to the committee whether, during your administration as Second Assistant Postmaster-General, you discovered any irregularities in the Department?—A. O, yes; I discovered some irregularities in putting on service. Very frequently I would find that the service was not put on properly; that is to say, in the light of new evidence that would come to us we would find out that we had made a mistake; as anybody would do in expending the large amount of money that we had to spend there. It would be hardly supposable, and I think no man would claim that he could spend sixteen or eighteen million dollars a year—

Q. You didn't understand the question that I asked. Did you discover any irregularities in the Department showing any sort of collusion between contractors and clerks of the Department or any other officials of the Department?—A. No; I don't now remember of any.

Q. You never discovered anything of that kind?—A. No, sir.

Q. Nothing of that kind was ever called to your attention?—A. Sometimes I might think that a fellow was a little too intimate, there or something of that kind, but then I never discovered anything that satisfied me that such a thing did exist.

Q. Did you ever say to any clerk, that he was too intimate with a contractor?—A. I don't know that I ever have; I don't remember that I did. If I felt so, the chances are that I did tell him.

Q. If you noticed that fact, and it struck your mind in that way, would you not have been likely to have spoken to him about it?—A. I think I would.

Q. You think it likely that did occur?—A. I think it may have occurred; I don't remember, because it is a long time. I watched my clerks pretty closely. I think I generally had their confidence. I never made any demands of them that I didn't think were right; and I think they appreciated that.

Q. No evidence, then, ever came to your knowledge, that there was any collusion between the contractors and the clerks; that they were using the clerks in the Department for their own interest?—A. O, no; if I had thought that, of course I would have turned the clerks out at once. Of course a great many contractors would come to me and complain of my clerks; that they couldn't get their work done, and all that sort of thing. The truth is, contractors would sometimes feel as though the clerks were a little tardy. I usually made inquiries about that.

Q. Did any one of the clerks ever come to you and tell you that any contractor had offered to bribe him?—No, sir; never one, nor intimated any such thing.

Q. You know a contractor by the name of Vail, don't you?—A. Yes, sir.

Q. Did any one of your clerks ever come to you, and tell you that Vail had offered to bribe them?—A. No, sir; I don't remember that any one ever came to me and told me any such thing or intimated any such thing.

Q. Are you acquainted with Peterson?—A. Yes, sir; I know Peterson.

Q. Peterson's contracts were water-routes principally, on the Mississippi River, I think?—A. Yes, sir; and finally, I think he had a land-route. When the service was taken off the Red River, I think he had a land-service running up past Alexandria, and supplying the inland country better, perhaps.

Q. Was that land-service established by Peterson?—A. I put on the land-service, running parallel with the Red River, myself; that is, it was done while I was in there.

Q. Was there also water-service at the same time that was put on?—A. No, sir.

Q. The water-service was discontinued?—A. The water-service had been discontinued for some time.

Q. Why was the water-service discontinued?—A. It was an irregular sort of service. The Red River is a river that is sometimes up and sometimes down. There are times in the summer-time, when it is not navigable, except for very small boats which make no regular trips.

Q. What was Peterson's reputation in the Department?—A. Well, some men liked Peterson very well, and some didn't like him.

Q. I mean as a contractor?—A. His reputation was about like the rest.

Q. What was the rest?—A. As a contractor in the Department, Peterson's reputation was good; that is, he performed his service—a man who performed his contract; that is what we judge them by.

Q. Did you make up your mind from the reports of special agents that you sent down to investigate his contract?—A. I don't remember whether I ever sent any special agents down to investigate Peterson's contract.

Q. On the Mississippi River?—A.—I don't remember about that.

Q. Do you know a special agent of the name of Wharton?—A. I have no recollection. I can't call him to mind, though he may have been appointed since I was there, or he may have been there while I was there; still, I don't remember it now.

Q. I have seen some reference to some report that was made by a man named Wharton. I have never seen any of the reports, however.—A. If there is anything about it, you may perhaps refresh my memory by calling attention to the particular thing.

Q. Your impression is that Peterson's service was well performed, however?—A. Yes, sir. If it was not well performed, the deductions were made, as I say. We had a uniform practice for doing that thing, and it was not deviated from, only as I told you, when additional evidence came. Sometimes a man would come in when the last returns from the postmasters were not in, and he would receive his pay, and we would deduct for the last month, the whole month; and then, when the last month's returns came in, men would frequently come there and say they must have their money, and they would rather take that portion and wait until the postmasters' returns came in.

Q. Was it not the habit to give those advantages to some contractors about Washington City—advantages that they did not give to other contractors away, because they did not make application?—A. It might be this way: that a man might come up in there, and for some reason would want his account made up early, and it would be done. If you had come in and said: "Here, Routt, I have got a large payment to make; and I want you will accommodate me; my service is performed and I am entitled to my money. If you can, let me have a little at once, so that I can go home to-morrow." I have done that frequently.

Q. Did it ever strike you, in the general supervision of the contract-system, that with the clerks in the Department there are some contractors who are favorites who are considered above others?—A. No, sir; for the same general rules were applied to all the clerks and all the employes of the Department. They could not deviate well without making a great deal of trouble, and they would have lost their places if they had done it; they couldn't have held their place if it had been known.

Q. I know if it had been known they would have lost their places; but did no suspicion ever arise in your mind that such a thing was going on; that there was a favoritism in the Department, from the evidence that came to you?—A. If you will allow me to make my statement in my own way I can tell you what I mean. I will state simply this: For instance, take a contractor who has most of his service in one State or two States, in the same general grand division, for instance. These grand divisions are subdivided by States, both in the contract and in the inspection division of the office. For instance, the man that has Texas and the man that has Missouri, the contractor whose service is most all in your State, of course, will get better acquainted with the clerks in that division than with a clerk having Massachusetts. Of course there would grow up that sort of acquaintance that would make the clerk more familiar and sociable, perhaps, with the contractor in his State than with the contractor up in Massachusetts, or somewhere else, simply by reason, I suppose, of contact. It is quite natural, you know, that that intimacy should grow up. I think you and I were a little more friendly and sociable along toward the last of my administration, after I had made your acquaintance, than we were at the commencement. Now, that sort of thing is a law of nature, and nothing but God can prevent it.

Q. You knew Sickles very well?—A. Yes, sir; and I want to tell you, although he came here and testified about that case, that I don't think there is a better man in the world than old man Sickles, or a truer man.

Q. You had no suspicion, then, that there was any sort of collusion among contractors and clerks, or that they were exercising favoritism?—A. No, sir; they couldn't very well have exercised favoritism without my knowing it. It might have been done, but it would have been pretty hard to do a thing of that kind.

Q. In 1873 were no complaints made by any of those clerks to you about approaches being made to them?—A. I don't remember a single case.

Q. Was there ever any difficulty between a contractor and a clerk in the Department during your administration?—A. Not in my bureau, that I remember of; no serious difficulty.

Q. Was not there a fight between a contractor and a clerk at one time?—A. That was in the Sixth Auditor's. Mr. Vail, I think, and Colonel Boone, perhaps, had a little fist-cuff up there one day, as a matter of amusement. I heard of it. Vail is from your State; a great big fellow.

Q. What was the fight about?—A. I don't know. They got to quarreling, something about a settlement, I believe, a payment, or something, for some mail-service that Vail had, as I understood; at least they had some difficulty up there, and I understood they had a little fight.

Q. You don't know what the difficulty was about? Did you ever speak to Boone about it in his office?—A. No. I never was in Boone's office in my life.

Q. You never sent for him?—A. I never had anything to do with him; he belonged to a different Department; he belonged to the Treasury. I may have joked with him something about it; I don't remember that I ever did. I had nothing to do with it in any manner, shape, or form.

Q. Which clerks in the Department that would come under your supervision at all, was Sawyer most intimate with?—A. With the clerk that had charge of the Texas section.

Q. Which clerk was that?—A. I think most of the time it was Mr. Floyd. We used to re-adjust the sections and change around occasionally.

Q. Did you change Floyd's section at any time?—A. No, sir.

Q. Floyd had his section all the time that you were in the office, then?—A. I think he did. I wouldn't be positive about it, but I think he had it all the time; the most of the time, at least.

Q. How was it in Floyd's power to aid Mr. Sawyer in his contracts?—A. I should say that: it was almost impossible to do it. Mr. Floyd, or any other clerk in the Department, may have deceived me by making out papers.

Q. They had it in their power to make out papers in such a manner as to deceive you?—A. They had that power in making out the papers; they might have fooled me in some things in making up the cases, because I could not examine every case in detail; no twenty men could do it. I had to depend, as every bureau officer does, upon his clerks, to a great extent.

Q. No case came under your supervision, or was brought to your notice, where Floyd had done that thing, during your administration?—A. No, sir.

Q. Where he had given improper advantages to Mr. Sawyer, as a contractor?—A. No, sir; Floyd may have made mistakes and called them to my attention, as any other clerk may have. I remember at one time one of the best clerks in the Department made a mistake of \$50,000 in making up railroad-pay, and of course they would have called on me if they found it out. A thing of that kind may occur and may be passed over.

By Mr. CANNON:

Q. Did it result in a loss of \$50,000 to the Government?—A. O, no; it was one of your Illinois roads—the Toledo, Wabash and Western road. There was never any loss; it was all right.

Q. The mistake was discovered?—A. It was discovered, and all adjusted and fixed.

By the CHAIRMAN:

Q. Discovered by Floyd himself?—A. No, this was not by Floyd. I was just mentioning that a mistake of that kind might occur.

Q. This mistake occurred with which clerk?—A. This mistake occurred with one of the assistants in adjusting railroad-pay; making calculations of the weighing of the mails.

Q. State to the committee if you were ever approached by any contractor improperly?—A. I never was. No contractor ever made a proposition to me, or said anything that could be construed by any torture of language into a proposition.

Q. Was any such proposition ever made to you either directly or indirectly?—A. No, sir. I mean never by a contractor himself, or by his attorney, or anybody else for him; nobody ever did.

Q. Did you ever receive a consideration for anything that you ever did in office in an official capacity?—A. No, sir; I never received a consideration. Mr. Luttrell once gave me a very fine cane. I may have got things of that kind, as I would have got if I had been anywhere else.

Q. You didn't regard that as improper?—A. Of course not; I regarded it as a matter of personal friendship. That is all there was about it.

Q. There has been testimony here, coming in indirectly, of some declarations which this man Sawyer, made to a man by the name of Taylor, and also to Mr. Paschal, that he had paid you money.

The WITNESS. Did Mr. Paschal swear here that Mr. Sawyer told him that he paid me money?

Mr. CANNON. There is no such evidence before the committee.

The WITNESS. I didn't so read it in the paper.

The CHAIRMAN. No, sir.

The WITNESS. That is what brought me here. I saw that in the Associated Press dispatch, and I got on the cars to come here and pronounce that false, absolutely; and this Sawyer—I never smoked a cigar at his expense; he never offered me anything; he never made a proposition, by himself, or through anybody else, in his life. I have smoked cigars at other people's expense, and may have had a bottle of wine sometimes. I don't remember about that; I think very likely I have. I don't know that they were contractors. I have had little things of that sort. I never thought anything about it.

By Mr. CANNON:

Q. Have you given cigars to people, and given them bottles of wine at your expense?—A. Yes, sir. I remember somebody gave me a box of cigars one day—brought them in there and set them down on my desk, and I gave them to friends and members of Congress, or anybody else. Those things don't amount to anything.

Q. Mr. Luttrell was a member of Congress when he gave you that cane?—A. Yes, sir.

Q. It was given as a matter purely of esteem, the relations between you being cordial?—

A. Yes, sir. Mr. Luttrell was in one morning with this stick. It was a piece of live-oak; it had been steamed and turned very handsomely; it was a very handsome stick, and it attracted my attention, and I said, "That is a splendid stick." Says he, "Yes, Routt, that stick has got a history," and then he went on to say that when the old Kearsarge was run in above San Francisco every piece of the hull was made into some memento, some little toy, or something, and this stick was made from the hull of that old boat. Says I, "Luttrell, if I had that stick I wouldn't take anything in the world for it." I suppose I showed a little spirit. Said he, "Routt, I've got another one, and I will make you a present of this with pleasure;" and I have got it, and I propose to keep it, and I tell everybody who gave it to me, and that it was my friend Luttrell, from California.

By the CHAIRMAN:

Q. Was Mr. Luttrell a contractor?—A. O, no; he was there that winter trying to assist the Postmaster-General, and me, and everybody else, to get up some law to do something to break down this straw-bidding.

Q. Did you ever receive presents from contractors?—A. No.

Q. Never did?—A. I may have got boxes of cigars or something like that.

Q. Didn't you get a half-dozen boxes of cigars?—A. I don't recollect; I may have.

Q. Didn't you get half a dozen baskets of wine?—A. No, sir. I may have got one.

Q. From any contractor?—A. I think it likely that some contractor may have given me a bottle of wine.

Q. I heard this man Kittle say that he had made you a present of wine and cigars.—A. He may have made me a present of a box of cigars. If he ever made me any present of wine I don't remember it. I have had oranges, too. I had a half a barrel of oranges sent me once, and box or two of cigars, and may be there were two or three boxes. The oranges were from Mr. Marshall, I think. Some friend of ours down there sent us up a part of a barrel of oranges. I never thought anything about it. I almost always smoked cigars. Gentlemen hand them to me now; but to make a long matter short, gentlemen, I am sure that no man ever gave me a cigar, an orange, or anything else in consideration of anything that I had ever done for them. I am sure of that; it is just a matter that passes between gentlemen, just as it passed between Luttrell and me about the stick.

Q. Have you not received, repeatedly, baskets of wine and boxes of cigars from a wine house in this city, Thomas Russell, between Twelfth and Thirteenth, on Pennsylvania avenue?—A. I don't know any such house.

Q. Do you think you received any baskets of wine or boxes of cigars from that house, bought by contractors?—A. No; I don't know that I have. I may have; I have received a few bottles of wine occasionally, and I have had a box of cigars occasionally.

Q. Did you receive any from this man Kittle, from that house?—A. Not that I know of; I received, I think, a box of cigars once from Mr. Kittle; I think when I went home I found a box of cigars, and inside the box, if I remember right, was a little card with Kittle's name on it.

Q. Who was present at the time?—A. I don't know that anybody was present.

Q. Didn't you make a remark to somebody that was present at the time, or directly afterward, that Kittle must be a little careful and not be sending you cigars in that way?—

A. No; I think very likely that if there was anybody there—I was thinking it was at the house; may be it was not. I think it was very likely, I didn't want him to send me any cigars.

Q. You didn't send them back to him?—A. I don't think I did.

Q. And you think you got no wine from him at all?—A. I may have; I don't remember. I don't remember his ever sending me anything of the sort, and the reason I can't tell is this, that I know that I have got a few bottles of wine, and I can't tell you who it was from, or anything about it.

Q. You prized the cane from Mr. Luttrell as a gift of friendship. What would you consider the gift from Mr. Kittle?—A. I wouldn't prize that very much, and I may have said to somebody, "Just tell that terrapin that I don't want any of his cigars," or something of that kind. If I made any remark about it, that is the way I did it.

Q. But you didn't send them back?—A. I think, perhaps, I just gave them out. I think, perhaps, I would do the same thing again. I thought nothing about it then, and I think nothing about it now.

Q. Were you an intimate friend of a man of the name of A. H. Brown?—A. Yes, sir; I have known Mr. Brown for twenty-five years. He used to live in the same town I did.

Q. You were frequently about his rooms, were you not?—A. I was frequently there, and he was at my house. He is an old friend; a respectable man; a man that moved in the best society where he lived.

Q. Did you ever meet Mr. Barlow at his rooms?—A. I think, may be, I have; but I won't be positive about it.

Q. Were you well acquainted with Mr. Barlow?—A. Pretty well acquainted with him. He did a great deal of business in the Department.

Q. Did Mr. Barlow ever make you any presents?—A. No, sir; I never smoked a cigar with Mr. Barlow.

Q. What was Mr. Brown's occupation?—A. He was a clerk in my bureau.

Q. During the whole time you were there?—A. He was there before I went there; I found him there.

Q. What time did he leave the Department?—A. Some time since Mr. Jewell got in. I think Brown was there when I went away. That is my recollection about it.

Q. Did you know of Brown receiving any money from Mr. Barlow?—A. No, sir.

Q. Or any other contractor?—A. Or any other contractor.

Q. Either directly or indirectly?—A. No, sir; neither directly nor indirectly.

Q. What was Brown's salary in the office?—A. Sixteen hundred dollars.

Q. I wish you would tell the committee what Mr. Brown's habits were as to extravagance.—A. So far as I know, he was a very economical man, of good habits all of his life. I have known him twenty-five years.

Q. He was not an extravagant man?—A. He is not an extravagant man at all. He had no bad habits; nothing to spend his money.

Q. Did he keep a team?—A. Yes, sir; he had a team a part of the time.

Q. Do you know how he came by that team?—A. Exactly all about it.

Q. Well, that is a matter the committee want to know something about.—A. That team has made a good deal of noise, and I will tell you all about it. I will fix the year. I think it was in the fall of 1873. I had been in the Department all summer, and did not take my leave until along in October or November. Mr. Brown had taken his leave some time in the summer and had gone out to Bloomington, where he has a brother in the hardware business, and bought a horse—or his brother had given it to him; I don't know about that—and I went out later in the fall, and I told Brown if I could buy a pair of cheap family horses out there that I was going to buy a pair; that I never went about the hotels, never belonged to any club, and I wanted some sort of recreation. Says he: "I have bought a horse of Ralph"—that is his brother's name; and he says, "Elder has a horse that he would like to show you, and if you are going to bring a pair on you can bring mine in the cars; it won't cost any more. You see Ralph, and if he can get Elder's horse at a fair price, tell him to get him, and you bring him along with yours." I bought a pair of little ponies that cost me \$350 a pair; and then Mr. Brown's brother and Brown got the Elder horse off of the pasture and brought it in and drove them together—drove them around the hotel to let me see how they matched—and I told him I thought they matched well; and his brother bought it. A cousin of mine, running a livery-stable, had a pair of gray horses, and I took the gray horses and brought them along and sold them after I got here. That is the history of the horses. I gave my checks on the bank in Bloomington, where I had money deposited, and I have had ever since I have left there.

Q. You say you found Brown in the Department when you came here?—A. Yes, sir.

Q. What clerk was he?—A. He was a contract-clerk; had charge of the contracts of the Pacific States.

Q. How long had Floyd been in the office then?—A. I don't know. He was there when I went there.

Q. Where was he from, do you know?—A. No; I don't know what State he was appointed from. I think he is a New England man, though, originally; he may have been appointed from some Western State afterward.

Q. Where did Brown live?

The WITNESS. When he was here?

Q. What hotel or what place?—A. He had rooms up on Sixth street, and boarded at the National Hotel; got his meals there.

Q. Did he live all the time at the National Hotel?—A. I think he did. Brown was a man that moved in the best society in this country; a friend of Judge Davis. Judge Davis could trust him with anything in the world. He was a man that Judge Davis had no hesitation in associating with; and I have no hesitation in associating with him.

Q. Have you any idea what Mr. Brown is absent in Canada for?—A. I haven't any idea; not the least. I didn't know anything about that until I got here. I saw him when I was here last November. I have had no letters from him since, and knew nothing about it. I supposed when I got here he would be here, as a matter of course.

Q. You haven't heard from Mr. Brown lately, have you?—A. I haven't heard from Mr. Brown since I was here last fall, except somebody has told me that somebody had sworn here that he was in Canada. That I have heard of or seen in the paper, I don't know which.

Q. You have had no correspondence with him since you left?—A. No, sir; I haven't had any letters from him. I didn't know where he was, or anything about it.

Q. You were, you say, United States marshal when you were appointed Second Assistant Postmaster-General?—A. Yes, sir; marshal in the southern district of Illinois.

Q. Was that a lucrative office?—A. No, sir; not very.

Q. Were you a man of wealth when you came here?—A. No, sir; I had more when I came here than I have got now, by some seven or eight thousand dollars.

Q. You had more money when you came here?—A. Yes, sir; I was worth more than I am now.

Q. You lost money, then, by coming?—A. Yes, sir; I lost some by coming; and if that is all I have lost I am satisfied.

Q. How much were you worth when you came here?—A. I suppose I was worth in the neighborhood of \$30,000 of property.

Q. And you are worth \$20,000 now?—A. About that. I sold my dwelling-house for about \$9,000, and that is pretty near all spent. I know just exactly how much I have got in the bank, and just how much I am worth, putting an estimate on the property.

Q. What bank did you do your accounting with in Bloomington?—A. With the Bloomington National Bank. "The National Bank of Bloomington" is the title of it; the bank with which Judge Davis, of the Supreme Court here, is connected.

Q. Are you in the habit of speculating any?—A. Yes, sir; I used to speculate at home, and I had a great deal better have staid there and kept it up—a great deal better.

Q. Did you transfer your funds to a bank here when you came here?—A. No, sir.

Q. Did you keep a bank-account here?—A. I believe I deposited some New York drafts, when I first came, with a bank down on the corner of D, may be, and Seventh, but I checked that out, and it was all gone pretty soon, and I never have had any bank-account since.

Q. Where did you keep your bank-account when you were here?—A. I didn't have any occasion to keep any.

Q. Anywhere?—A. No, sir; I didn't have any bank-account, except what money I had in the bank at Bloomington, what little I had left. I drew on that occasionally. I never had enough here. I didn't make money enough to keep me. I lost my wife and had a great deal of sickness, and lost my baby, and it was attended with a great deal of expense, taking them home for burial. One year, I think, I was behind pretty near \$3,000.

Q. Did you ever discover, in any way, any evidence that Giles A. Smith, your predecessor in office, had ever taken a consideration for anything that he did in office?—A. No, sir; I never discovered anything.

Q. Have you knowledge of anything of the sort?—A. No, sir.

Q. You don't know it, then?—A. I don't know that he ever did. I can't tell about that. I know nothing about it.

Q. Is he interested in any contract?—A. Not that I know of. He never appeared in any contract I ever had anything to do with.

Q. Was he not interested in a contract in California when you left the office?—A. Not that I know of. I never had any intimation that he was. I never heard it charged that he was. He lives in California, if he is alive. He is very delicate, though. I have not had a letter from him, I think, for as much as two years.

Q. His brother—I forget the name now.—A. Morgan L.

Q. Morgan L. Smith—were you an acquaintance of his?—A. Yes, I knew him; not so well, however, as I knew Giles, because Morgan didn't live in our place. Giles was a merchant there, before the war, and he went into the Army from the same town that I lived in; but Morgan, I think, was there only a short time, and that was after Giles was here. Perhaps he went out and ran a hotel or something of that kind for a short time.

Q. You knew him here?—A. Yes, sir; I knew him here and knew him there. We were never intimate.

Q. Did he have any special influence, or seek to exercise any special influence, in mail matters in the Post-Office?—A. Not after he went there he didn't. I don't think Morgan ever spoke to me more than once or twice. In a few instances he may, perhaps, have come in and said that somebody had written to him to come and see about something. I think in my three years there, I saw Morgan two or three times, but only two or three times, and he had no influence.

Q. He had no influence?—A. He had no influence, nor anybody else; one man had just as much influence with me as another man had. The mere fact of being acquainted with a man didn't give him any advantage over anybody else.

Q. Do you remember what contract he came to see you about?—A. No, I do not; but some contract West somewhere.

Q. Were they contracts of Barlow, Sanderson & Co.?—A. No; I think not. Mr. Barlow was here very frequently himself and attended to his own matters always himself. I don't think Barlow ever had anybody to act as an agent for him here after I came. I don't remember that he ever did. I think he always transacted his own business.

Q. He had no attorney here that came before the Department, then, for his claims?—A. No, sir; not after I came here. I think very likely he may have had an attorney before I came. I judge that by what I have heard around and what I see that he swore to. I think he swore in his evidence that he had a man of the name of Earle. I don't think Earle was ever in my Department three times during the whole of my administration. He never did any business there that I remember after I went there.

Q. Never did any business at all?—A. I think not. I don't remember his doing any business. He may have done a little business somewhere in the Department, but I don't now remember of a single case that he had anything to do with; not a single case.

Q. And Barlow attended to his business himself entirely?—A. After I went there; I don't think he ever had anybody there to look after his business, that is my recollection, after I went there. I don't now remember anybody else.

Q. Was there much increase of service in Barlow's contracts after you went in?—A. Not much; very little.

Q. Had there been an increase of service before you went in?—A. There had been an increase on some of his routes before I went in.

Q. How long previous?—A. I can't say; it must have been, however, after the new service went in. That went into operation the 1st of July, 1870. I went there eighteen months after that service went into operation. I won't swear to the dates, but it must have been between the letting of the service for that contract-term and the time I went there. There was some service, perhaps, some very small increase, made on some routes after I went there, and perhaps on one route the schedule was expedited.

Q. What route was that?—A. I think that was on the route from Oroville to Portland. There was a shortening up of the schedule on that route about that time. By the way, I had nothing to do with it.

Q. The increase of service on Barlow's routes was before you went in. Do you remember now whether that increase was very large or not?—A. I think in some cases there was a trip or two additional a week put on, maybe.

WASHINGTON, D. C., *April 14, 1876.*

JOHN L. ROUTT recalled.

By Mr. AINSWORTH:

Question. What, if any, relations did you have to the mail-contracts?—Answer. To the mail-contracts?

Q. Yes.—A. I had the immediate supervision of mail-contracts. My bureau was called the contract bureau, and I had charge of carrying the mail. That is the duty of the Second Assistant Postmaster-General: all the mails, steamboats, railroads, stages, horseback, snow-shoes, from depots to post-offices where it is over a quarter of a mile, he has the supervision of the whole thing.

Q. What were your personal relations to those men who were seeking contracts here?—A. I don't know exactly how to answer that. It was pleasant enough and friendly enough, generally. It was like a business-man with any other thing.

Q. Had you their acquaintance?—A. Most of them; yes, sir. A great many men were contractors during the time that I was there that I never met at all; and a great many that were there—those men came there to transact their business, to collect their money, &c.

Q. Were you, socially, in the habit of visiting with them, being at dinners with them?—A. No, sir; I don't think I ever took dinner with but one contractor in my life, during the whole time I was here. Still, there are men, contractors, that I should not hesitate to go to dinner with or be seen anywhere with them, if I wanted to.

Q. Who was the one contractor?—A. I think I took dinner once with Charley Huntley, at the hotel.

Q. He was a member of what firm?—A. He was a member of the firm of Huntleys. There were two or three of them, I believe. This was Charley; a good many years ago.

Q. Were there not other parties in that firm?—A. I think the one that was in here this morning was a cousin of the one that I have reference to; I don't know as to that, but that is my recollection. They are related some way; I think they are cousins. That is the only dinner that I ever remember to have taken with a contractor. I don't remember any. Still, there are a great many contractors that I should not hesitate to take dinner with, if I wanted to.

Q. And they wanted you to?—A. And they wanted me to, and it was a good dinner.

Q. I think I saw, by the paper, the statement that you never received anything from any of these parties in any shape.—A. I said that I had received cigars, once in a while, boxes of cigars, and maybe a few bottles of wine, or something of that kind. That is what I said; but not in consideration of anything. I didn't receive it in that way, or dream of it, any more than if a gentleman, a friend of yours, should come down and send you a box of cigars—a member of Congress. I never thought anything of it.

Q. Is not this true, that at the time you were acting there in the Post-Office Department you were largely supplied by these men with cases of wine and boxes of cigars?—A. No, it is not true, although I did get cigars and did get a basket of wine occasionally, but it was not a common thing by any means; but I did do it, and thought nothing about it, and think nothing about it now any more than you would if a friend of yours should send you a bottle of wine.

Q. Had you personal acquaintance and friendship with these men who sent you these things, previous to the time of their sending?—A. O, yes.

Q. All of them?—A. All of them. I knew all of them. Some of them I was more intimate with than I was with others, as a matter of course.

Q. Was not this the rule, that those men, without reference to personal acquaintanceship, kept you supplied with those things?—A. It was not true, although I think that maybe I may have gotten some little thing of that kind from somebody that I knew nothing about and don't now know about. If I would find a box of cigars on my desk, which I did sometimes, I never made any bones about it. They were there, and anybody that wanted a cigar got it, if I happened to have them. A great deal of the time I didn't have any cigars. Sometimes I bought cigars. It was not a fact that I was kept supplied in wine or cigars at all.

Q. State as near as you can the amount of wines and cigars received from Kittle and his contractors.—A. I think I received a basket of wine, maybe, and one box of cigars. That is what I remember now.

Q. What was your acquaintance with Kittle previous to that time?—A. I knew him as I knew other contractors.

Q. Had you any social standing with him?—A. No, sir; I never was with him or about him; never had any business with him, except what he transacted with the Department.

Q. Wasn't it generally understood there in the Department that those who controlled those positions were favored by the men who were applying for contracts?—A. No, sir; it was not understood; it was not the fact, either.

Q. Then explain how you came to receive these cases of wine and cigars.—A. I did it just exactly as if a friend of yours from your district should come to Washington, that you knew, and he sent you a box of cigars to your hotel; just in that way, and no other. I thought nothing of it.

Q. Were these men from your district?—A. Some of them.

Q. Was Mr. Kittle from your district?—A. No, sir; he was not.

Q. What parties from your district sent these things, if any?—A. I don't believe there was any contractor from my district; I don't now remember any.

Q. Then you didn't receive them as coming from friends from your district, did you?—A. No; but, then, I had a very extended acquaintance throughout the whole country. I have told you about the cigars. You gentlemen can get that before the country if you desire to do so. I received them just as you would, thought no more about it than you would. Nobody ever gave me a cigar or anything else in consideration of anything that I ever did. Nobody ever proposed, directly or indirectly, to give me anything, either by themselves or by their attorneys.

Q. At the time they were furnished you, were not these parties applicants for contracts for mail-service?—A. Not that I know of. They may have been applicants; that is to say, they may have bid on contracts, and they may have been performing service. I don't remember about that; it is a thing I never charged my mind with. I never thought anything about it at the time; I don't now think anything about it.

Q. You thought that they were furnished on account of the position you held, did you?—A. I supposed it was an act of friendship, just as if a man was to be furnished with any little thing of no value, and I know it was furnished so.

Q. With no reference to the position you held in the Post-Office Department?—A. With no reference to contracts. You might say with reference to position; that I can't tell. Men became acquainted with me, because I transacted business there, that I perhaps never had any acquaintance with before, members of Congress and others. Sometimes I made pretty warm friends, and, as a rule, I think it is no egotism now to say that I did make a great many friends, not only with my own party but with the other party. I don't think you can find a member of Congress in the whole eleven seceding States that won't testify that I was a faithful officer, and that I discharged my duties without any reference to their being democrats and my being a republican. I gave them what they ought to have and what they were entitled to, as near as I could find out.

Q. Do you believe that, stripped of the position you held in the Post-Office Department, you would have received these donations and presents from these parties?—A. I might not have received the donations and presents from these parties, because I might not have been acquainted with them, but I was just as likely to receive them at home as I was here, and I have received those little things, and have presented those little things myself to my friends. I presume there is not a man that was in Washington as long as I was—you couldn't hardly get a man in the United States that had any personal popularity that would not have got more than I did. I never was around town, never belonged to any of their clubs or anything; was a quiet man; staid at home. When I got done my day's work I went home, and was not as likely to invite that sort of thing as a great many men that were around more about the hotels.

Q. When did your connection with the Post-Office Department cease?—A. About the 15th of February, 1875, a little over a year ago.

Q. What donations of baskets of wine or cigars have you received from applicants for contracts in the Post-Office Department since that time?—A. I have not received any from applicants to the Post-Office Department. I have not been where any of them were. I have, however, received a few boxes of cigars out home since I have been gone.

Q. You know the question?—A. Yes, I know the question, and have answered it.

By Mr. CANNON :

Q. You say you have received some boxes of cigars, and I understood you to say you have received since you ceased to be Postmaster-General?—A. Yes; I have done that ever since I have been a man, occasionally.

Q. State as to whether you have had any other courtesies.—A. Of course I have received courtesies, ever since I have been a man, one way and another, from my friends; some one little thing and some another.

Q. Both before and after you were Second Assistant Postmaster-General?—A. Yes, sir.

Q. I will get you to state now as to whether you ever extended any courtesies of any kind to others during your life-time.—A. I have done that, certainly.

Q. Do you know Hon. J. K. Luttrell, of California, a present member of Congress?—A. Yes, sir; I know him very well.

Q. A member of the Forty-third Congress, I believe?—A. Yes, sir. I know him to be, in my judgment, a very excellent man.

Q. I will get you to state, as a matter of fact, whether he, being from California, ever gave you a bottle or bottles of wine, California wine?—A. Well, that is small business.

Q. Very well; I want an answer.—A. Mr. Luttrell did give me a bottle of wine, and I desire to explain it, too. He brought a few bottles of wine with him, he told me, from California, the native wine, of their own manufacture. It was grown, perhaps, on his own place. I am not sure about that, but he gave me a bottle of wine, or sent me a bottle, to test the quality, to show me the superiority of the wine grown in his country there. He had a pride, I suppose, a State pride, to do it.

Q. Were you Second Assistant Postmaster-General at that time?—A. Yes, sir.

Q. If you had not been Second Assistant Postmaster-General here at Washington would you have got that wine, do you know?—A. I don't know whether I would have met Mr. Luttrell or not; I might not.

Q. Did you make his acquaintance while you were Second Assistant Postmaster-General?—A. Yes, sir. I never saw him until he came there to look after some straw-bidders.

Q. Has Mr. Luttrell sent you any California wine, or given you any canes, or any present of any kind, or cigars, or anything else since you have ceased to be Second Assistant Postmaster-General?—A. No, sir; I had not seen Mr. Luttrell until I came here to Washington since.

By Mr. AINSWORTH :

Q. Didn't Mr. Luttrell, as a member of Congress from California, apply to you and claim the right to control the contracts in his section?—A. No, sir; he never claimed to control any contracts; he came to me and said that the mails were not on the route that they ought to be on, in one instance there, and presented me with the facts that satisfied me that he was right; and he *was* right about it, and all Mr. Luttrell ever did in the world there was to work for the interest of his people, and for the Government. I never saw any disposition to do otherwise. The reason I say that is, because some of his friends had been bidding, that he thought were straw-bidders, his political friends, and he never made any difference in what he did, in what he said about that matter, between his friends and his enemies.

Q. I understand that; but didn't he at the same time insist that he should have the right to say to whom those contracts should go?—A. O, no.

Q. What did he do? Just tell now your entire relation with Mr. Luttrell.—A. My recollection about it is simply this, that it was a controversy about the mails being on one route or another; that is to say, the most mail. I think, may be one was a daily line, and the other not so much, running not parallel exactly, but there was a large settlement of people in the valley and he contended that the more frequent trips should be on that route, because it accommodated a larger number of people, while the lesser number of trips per week should be on the route that had the smaller population; that is my recollection of that thing.

Q. To whom was it given?—A. I don't remember that.

Q. You don't remember whether you agreed with him, and put the service where he desired it?—A. I do absolutely remember that I did agree with him, and had quite a controversy to get it.

Q. You do remember it?—A. Yes; but I don't now remember who got it.

Q. Was that before or after you received the wine from him?—A. I don't remember anything about it, whether it was before or after; that I can't tell; I don't charge my mind with a little bottle of wine, any more than I would with going to market for breakfast.

Q. Is not this the fact, that Mr. Luttrell really controlled those California contracts?—A. No, sir; he did not.

Q. Through your Department by his representations?—A. He did not.

Q. They were given as he desired, weren't they?—A. If he was right, and satisfied the Department that he was right, they were given that way, and if he did not, they were not.

Q. Did you ever find him wrong?—A. I don't believe he ever applied for but two things that I now remember of.

Q. And in both those instances you thought him right, didn't you?—A. In both those instances I found him right, or I wouldn't have done what he wanted me to do.

Q. And gave it as he desired it?—A. Well, gave it as he said was right.

By Mr. CANNON :

Q. You mean gave a contract?—A. O, no; one of them was a contest between two bidders. Mr. Luttrell came in and showed conclusively—

By Mr. AINSWORTH :

Q. The other was an increase of service?—A. The other was simply as to whether the larger amount of service should be on one route or on the other route, and my recollection is—although I may be mistaken, but that is the way I remember it—I think we put the larger number of routes per week on the route that had the most settlements, where the most people lived.

Q. And that increased the compensation of the man that Mr. Luttrell represented?—A. It increased it just the pro rata fixed by law.

Q. Did it increase the compensation of his friend, or the man he represented?—A. Of course that man didn't carry the extra trips, whatever they were, for nothing. I believe they don't do that in California, as a rule.

By Mr. CANNON :

Q. Do you know who that man was?—A. I don't remember the man's name.

Q. Do you know whether he was a friend of Luttrell's or not—the contractor?—A. I don't know anything more about it than that. He says he was. Mr. Luttrell was not talking about the man; he was talking about the service.

Q. Do you know who the contractor was?—A. I don't now remember who the contractor was. I don't remember anything about it except those facts.

Q. Was it on the Oroville and Portland route?—A. I believe it was.

Q. Was not one contractor doing both, or do you recollect?—A. I don't remember that, either. I don't remember how it was. I know it was a question as to which route should be supplied, he contending, and showing very conclusively, that, by reason of the settlements upon that route, that that was the one that ought to have the most mail.

Q. Was this in California?—A. It was in California.

Q. I will ask you to state as to whether proofs were presented or not.—A. Yes, sir; proofs were presented; the papers are on file, I presume, to-day.

Q. I want you to state whether it was an act done because Mr. Luttrell requested it, or was it upon a full investigation?—A. It was upon a full representation made by Mr. Luttrell, he being familiar with all the post-roads and the interests of the people. We trusted a great deal to Congressmen.

Q. I want to know whether outside of that there were persons who furnished proofs?—A. I know his people were quite well satisfied. I was satisfied it was right then and I am satisfied it was right now; if it had not been it would not have been done. But I will say another thing in justice to Mr. Luttrell: he never showed any disposition to favor any particular man, or any particular set of men, in anything he ever did in that Department. He seemed to be actuated by working for the interests of his constituents, and his people out there, getting the service where it was most needed and where it ought to be.

By Mr. AINSWORTH :

Q. That was the rule with all the Congressmen, wasn't it, with whom you came in contact?—A. Yes, sir; that is the rule.

Q. They desired to favor their people?—A. They desired to give their people the best mail facilities they could.

Q. Mr. Luttrell was no exception to the average Congressman, was he?—A. No, sir.

Q. No better?—A. About the same. I suppose Congressmen pretty generally tell the truth when they come there: we generally acted upon their suggestions. They are responsible to the people, and I know no better way of getting at such things in a congressional district than to consult the Congressman. I have no doubt, if I had been there, you would have been down there before now, and I would have taken your advice about it. I have taken Mr. Clark's—had to do it—and taken the advice of every other member of Congress that came there.

Q. Wasn't it understood by you that Mr. Luttrell represented one set of contractors in California?—A. No, sir.

Q. As against another?—A. No, sir; he didn't care who had the contract so the mails were carried; he always so expressed himself.

Q. Didn't he represent certain contractors?—A. No, not that I know of. I don't remember now that he did; no person that he was working for specially, to get a contract. The things are advertised and the lowest bidder always gets them; that is the law.

Q. Didn't he complain at your Department against certain contractors who were applying for the mails in his district?—A. He made complaints like this, that there was a combination of old contractors that combined together to get the mails up higher than they ought to be, and to get them on the wrong roads.

Q. Didn't he ask of you that you should give those contracts to other contractors in opposition to these men?—A. We couldn't do that, you know.

Q. Didn't he ask that, that you should refuse those contractors the contracts, and give them to other parties?—A. He said this—

Q. No ; answer my question.—A. I can't answer it unless you let me answer it in my own way.

Q. You can answer and then you can give any explanation you desire.—A. Now, you ask your question again and see whether I can.

Q. I ask you the simple question, didn't he ask that you should reject those contractors and give the contracts to other parties?—A. I prefer to answer it in my own way, and I will try to answer it right.

Q. It is a direct question.—A. I can't answer it direct without an explanation.

Q. You can't answer whether he asked you that you should reject those contractors and give the contracts to other parties?—A. No, sir ; I can answer it with an explanation. If you will allow me to explain it, I think I can fix it.

Q. I want you to explain it ; but you can answer my question by yes or no, because it is a direct question.

The CHAIRMAN. He can say that he cannot answer it by a direct answer.

The WITNESS. I cannot answer it by a direct answer ; but I can answer it to the best of my ability.

Mr. AINSWORTH. Answer it, then.

The WITNESS. Mr. Luttrell said he was satisfied, as I told you before, that it was a combination of contractors that had been operating on straw-bids to control and monopolize the service in that country to the detriment of the people, and if he could manage any way in the world to substantiate that fact, which he was trying to do, and had got a great many parties on that subject to say that they had violated the law, then he desired to have them ruled out as contractors.

By Mr. AINSWORTH :

Q. Did he substantiate that?—A. Yes, sir ; pretty fully.

Q. Were they ruled out?—A. No ; they were not ruled out.

Q. Who had control of the question whether they should be ruled out after he substantiated these facts?—A. He didn't substantiate it absolutely ; but he did very much to show that there was a combination.

Q. Who had control ? Answer my question.—A. I had control of that, under the Postmaster-General. I had the immediate control, but never took the responsibility in anything of that kind, amounting to anything, without referring to the Postmaster-General. Of course, I was subordinate.

Q. Did you refer this matter to the Postmaster-General?—A. Yes, sir ; it was all talked over.

Q. Did he refuse to rule out these contractors?—A. The Postmaster-General decided that he could not legally do so ; if he could, he would.

Q. Who were the parties that Mr. Luttrell made the charges against?—A. I don't remember ; there was quite a number that he brought in, but I don't remember their names.

Q. Who were the parties that he desired substituted?—A. I don't remember that. I don't know that he desired any particular persons substituted. I think Mr. Luttrell was working more to get the service than he was to get a friend in. I don't think he ever showed any disposition to try to get a friend in.

By the CHAIRMAN :

Q. Speaking of these little presents that were made you by Mr. Luttrell, you say you received them on account of friendship, &c.?—A. Yes, purely ; no other way in the world ; never thought of it.

Q. Did you receive presents from Mr. Kittle in the same way?—A. Mr. Kittle sent me, I think, a box of cigars.

Q. I would like to know if there was any difference in the presents of the two?—A. There is a difference between them, because I respected Mr. Luttrell very much ; more highly than I did the other man. I thought then, and now think, a great deal of Mr. Luttrell ; but the other man was not a man that ever impressed me with being just what he ought to be.

Q. Did Mr. Luttrell have any business with your office that he could arrange or further as a contractor, or was there any matter in which he was pecuniarily interested, which he could further by making you a present?—A. I don't know that he ever had any pecuniary interest in the world in anything that he came there to see about ; I don't think he had any in the world. He never had any motive in doing that thing any more than just what I have told you. That was an act of personal friendship. I wanted the cane because it was made from the hull of the Kearsarge, and he had another one, and he gave it to me, and that is all there is about it.

Q. And you asked him for it?—A. No ; I didn't ask him for it ; but he said he would make me a present of it.

Q. I understood you yesterday to say that you told him that you would like to have it?—A. I was admiring it, and told him if I owned it I would prize it very highly. I didn't say yesterday that I asked him for it.

By Mr. AINSWORTH :

Q. Then his regard for your judgment of good wines led him to send you the wine?—A. I think his object in doing that was simply to let me see what his country produced.

By the CHAIRMAN:

Q. Did you ever know of any other officer receiving presents in the Department?—A. No, sir; I don't remember.

Q. Did you ever know of Mr. French receiving any?—A. I rather think Mr. French did receive some oranges or some cigars or some little presents, perhaps some shells or something of that kind, from Florida once.

Q. Did you ever know of his family receiving any presents; I mean from contractors?—A. No, sir.

Q. Did Mr. French carry on a life-insurance business?—A. He did.

Q. Do you know whether the contractors were in the habit of insuring with him?—A. I know nothing except from hearsay. I never saw his books; but I have heard that some of the contractors did insure.

By Mr. AINSWORTH:

Q. How was that insurance business done?—A. I don't know whether he had any office anywhere or not.

Q. Did he transact business of that kind there in the Department?—A. That I can't say, but I rather think he did. That, of course, I can't say positively about. I think he would sometimes solicit a man that would come into the Department there, for insurance.

Q. That was the time he was in the employ of the Government, receiving pay from the Government?—A. Yes, sir.

By Mr. MILLER:

Q. Do you know whether Mr. French was an insurance agent before he was a clerk in the Department there, or an officer there?—A. No, sir; I don't know as to that.

By the CHAIRMAN:

Q. Did you ever make any pledge to Mr. Sawyer that he should have the fines remitted that were made against a contract of Mr. Sawyer's from Jefferson to Clarksville?—A. No; I never made him any pledges. I told him this: He annoyed me a great deal. We fined the whole thing; had given him no pay for those additional trips that he performed. I told him, finally, "Mr. Sawyer, I will go with you to the Postmaster-General and you may state your case, and whatever the Postmaster-General thinks you ought to have I am willing you shall have. I am willing you shall have a fair, equitable price for the services you performed," notwithstanding the service was not performed as I understood it ought to be at the time the order was made. That was all I have said ever about it; I never made any pledge about the thing at all. I said then, in talking to Mr. Sickles, that I had let the thing in good faith to accommodate the operatives on that line of railroad. There was a large number of operatives there. It turned out that the clerk who had charge of it had not put the service on as I supposed it was, yet at the same time Mr. Sawyer had evidence in there; it is there now. I have examined it since I have been here and re-examined it, and talked with Mr. Sickles also about it; Mr. Sawyer shows evidence there that he did perform quite a service there.

Q. Service of eight times a week or six times?—A. I think it was six times a week; that is my recollection. I submitted it to the Postmaster-General after Mr. Sawyer had made his statement, as it was my custom. I seldom ever remitted a fine without submitting to the Postmaster-General if it was of any amount; I think at that time I told him the character of the proofs and everything, and I said, "Mr. Jewell, it is a question simply of what is an equitable allowance to be made for that service, because the service was absolutely performed, in part." He thought it over awhile and said, "I think about two-thirds of what Mr. Sawyer claims is about an equitable and just compensation for the work done." Upon that, I told Mr. Sickles to make up the papers in accordance with it. Mr. Sickles thought the allowance was too large; he told me he thought it ought to be about one-third instead of two-thirds; but in making that deduction it was made, coming at the thing as near as we could, so as to pay the man for just about what service he had actually performed and for no more.

Q. In making up that service and in presenting the point in that way to the Postmaster-General so as to get a part of the fine remitted, did you consider that you were doing your full duty to the Government as between the Government and the contractor?—A. Yes, sir; I felt as if I was doing my full duty.

Q. You didn't intend to favor the contractor at all?—A. No, sir; I don't think I did now. I am still of the same impression I was then.

Q. You were under no obligations to him of any kind?—A. Under no obligations in the world of any kind to favor Mr. Sawyer, but on the contrary, sometimes they thought there that I was a little hard on the old man. I tried to be just and equitable, both to him and to the Government, and in my representations to the Postmaster-General I tried to be as fair as I knew how to be, and not to mislead him in the matter.

Q. I asked you some questions yesterday that came up incidentally about your financial ability when you came here, and when you went away. I will, in addition to that, ask in what your property consisted?—A. My property consisted in real estate, pretty much. I had some money.

Q. Real estate situated in Illinois?—A. Situated in Bloomington. Since that time I have built me a very nice dwelling-house. I came here and lost my wife, and I was renting my property, and was not getting much for it, and I sold that for really less than it was worth. I have got my other property which I had when I came to Washington.

Q. You said you had some money when you came?—A. Yes, sir; I brought a few New York drafts with me, I think amounting to something like \$2,000, and put them in the bank and checked them out. I don't know how long I was doing that. I lost my wife very soon after I came and had to take her remains to Illinois; and lost a child afterward and had to take the remains back; and I set up housekeeping here, which was very expensive; and it didn't last very long, to my recollection.

By Mr. AINSWORTH:

Q. Let me understand about the Sawyer matter. For six trips a week you only allowed him two-thirds of what he would have received for eight?—A. Yes, sir; that is it; it was less than pro rata; since I have been here I have looked over that—because I knew that there was some explanation wanting about that, and in order to refresh my mind I went down and looked over the papers.

Q. The pro rata would have been three-fourths?—A. Yes, sir; and I am just as much of the opinion to-day as ever that Mr. Sawyer didn't get paid for any more work than he did, or did not get quite as much as the pro rata would have been. I had promised Mr. Sawyer to go to the Postmaster-General and have an equitable allowance made, because I had deducted the full price of the entire increased service.

Q. That was the only pledge you made?—A. That was the only pledge I made or ever thought of making.

Q. And between you and him there was no price fixed?—A. O, no; the price never was fixed until it was fixed in his conversation with the Postmaster-General.

Q. Did you attempt to tell him how much?—A. No, sir.

Q. You made no recommendation?—A. I made no recommendation about it until, as I say, I went in and talked it over with the Postmaster-General, and represented the facts to him, as I understood them then, fairly, and as I understand now, not endeavoring to mislead him, but, on the contrary, to give him all the information on the subject I could.

WASHINGTON, D. C., May 1, 1876.

R. C. KERENS sworn and examined.

By the CHAIRMAN:

Question. What is your occupation?—Answer. Mail-contractor at present.

Q. How long have you been in the mail-contract business?—A. I have never been in it very extensively until the last two years. I had some little horse-routes some four or five years ago.

Q. How far back does your connection with the mail-contracts run?—A. I suppose four or five years.

Q. Please tell the committee in what section of country your routes have been and are now.—A. My principal route now runs across New Mexico, Arizona, and California.

Q. Is that the route that has been known as the Tucson and Los Angeles route?—A. Yes, sir; the Tucson and Los Angeles. The terminus is now on the coast, at San Diego, and at Mesilla, on the Rio Grande.

Q. Is that the route that has been run by the firm of Barlow, Sanderson & Co. heretofore?—A. He was my predecessor.

Q. What are you getting for the route now?—A. \$100,000.

Q. Do you know the difference between your compensation and the compensation that was given Barlow?—A. I think it is about one-half, perhaps more, because there was a side-supply of service for a point on the route called Pinos Altos, up to Silver City, which is a new mining-town that has sprung up in New Mexico, and that is about seventy miles around; for that they get a side-supply, and at a pro-rata pay per mile on their contract; while, in the advertisement under which I took it, it was included in the main route, and we have to make that elbow just the same.

Q. For which they got extra pay, and which you took under the contract?—A. Yes, sir; that was advertised in the service. I suppose Mr. Barlow's pay must have been about double ours, perhaps more. I never figured it up exactly.

Q. Is that route at such a rate now that it will pay its expenses and remunerate you?—A. Yes, sir; we are getting along very comfortably; however, I do not know that we are making much money, but we hope to make something before we get through, and especially when the railroad pushes along. We have to own all our own stations pretty much.

Q. What other routes have you?—A. I am interested in a whole lot of routes in Texas.

Q. When did you get those routes?—A. I got them at the last letting, and by reason of other parties having failed; and myself and other parties that are connected with me being

bidders, and the service coming back to us. We got the El Paso route in that way, which is the largest we have—that is from Fort Concho to El Paso.

Q. That is one of the old Sawyer routes?—A. Yes, sir.

Q. You were not the lowest bidders, I understand, on those routes?—A. No, sir; not on that El Paso route.

Q. How did it happen that you got the service?—A. The Postmaster-General notified us and offered it to us, and left it at our option. At first we declined to take it.

Q. How did that occur; was there a failure?—A. I will tell you all about it. The service advertised from Fort Concho to El Paso was bid off by a party by the name of D. C. Grant, at \$19,000. Nobody supposed that it was a genuine bid, but I guess there was such a fellow as Grant. The 1st of July came, and Grant appeared, by agent, in the person of a man of the name of Taylor, as I understand it. I was not there; I was in California at the time, and I heard all about it afterward, having stocked the road. Taylor appeared with an order from Grant, and took the mail and started it, and run it until about the middle of July, I think, when the checks that were deposited for the 5 per centum, what is required under the law, were all taken up. I do not know whether we got ours or not; I certainly did not myself; I was in California, but I understood that everybody rushed there and got up their checks right away.

Q. As soon as the contract had started?—A. As soon as the service had started, and about the middle of July the service was dropped; it failed.

Q. Did they notify the Department that they could not carry it any longer, or just drop it?—A. They just dropped it. It was all run with Sawyer's stock from the start. Then there was temporary service taken from the postmaster at Fort Concho.

By Mr. CANNON:

Q. Do you know at what rate?—A. I do not know; it was about the old pay—\$69,000 or \$70,000. It was dropped, for instance, on the morning of the 16th July—about the middle of July—and about an hour afterward a temporary contract was made, and they started out and run that way for awhile, and as soon as the Postmaster-General heard of it, he was very angry about it, and saw the whole thing.

By the CHAIRMAN:

Q. Who made the temporary contract?—A. The postmaster, under the law, is authorized to keep the mail going.

Q. Which postmaster?—A. The postmaster at Fort Concho.

Q. Was the Postmaster-General angry at the postmaster at Fort Concho?—A. He was angry at everybody; in fact, I knew the thing was going to fail.

Q. You knew it?—A. I knew it in this way: I was down to Texas starting our route, and I saw, the way he was going on, that he intended to fail; and when I met General Jewell in Saint Louis, on my way to California, I said, "Governor, you have got one of your largest routes in Texas that I do not believe will go off all right." He asked me which it was, and he made a note of it then. The Postmaster disapproved of the postmaster's action at Fort Concho at once, but finally, upon an appeal from the military—they having five or six military posts there—he authorized them to carry it once a week at \$500 a trip; and the military performed the service for six or seven weeks, I guess. In the mean time I got back from California, and met my partner here, and the Postmaster-General was anxious that we should start the service, as he said the military were carrying it, but he could not boss the military very well, and they carried it about as they had a mind to. We finally agreed to take it, and I went down there myself and stocked it; and that is the way we got it. I think there were several bids between ours and the lowest bidder.

Q. Do you know who they were?—A. I do not now.

Q. Who was this man Grant?—A. As I understand it, he was a stage-driver for J. W. Parker; it was always so understood; I do not know it only from talk.

Q. Talk with whom?—A. General talk.

Q. With men down there?—A. Among the stage-men; they said it was Parker's man. There is such a man as D. B. Grant.

Q. From your observation and knowledge of how the contract was executed, and how the service was carried on, can you inform this committee what Grant's object was, or the object of the party who put him there, in bidding the contract off at such a low price? It was very low, was it not?—A. It was too low.

Q. So low that they could not carry the mail?—A. I thought that we bid ourselves lower than anybody else could.

Q. What did they expect to gain by it?—A. I think that Parker thought that Sawyer would certainly have a lower bid, and that he would be there in the way; most of the people put it on that ground—that he would be in the way, and after a while they would get it up to Sawyer's highest bid, and he would then be a partner because he was there in the position.

Q. I understood you to say it was run with Sawyer's stock?—A. Yes, sir; started with Sawyer's stock.

Q. Was that one reason why you thought it was in that interest?—A. I thought so at the time.

Q. Do you know whether Parker had made any arrangement with Sawyer to run it with his stock or not?—A. Yes, sir; they all met in Saint Louis and arranged it in some way; I was not there, but I was in Texas at the time.

Q. Who do you mean by "they all met"?—A. Parker, Sawyer, Tisdale, and Taylor. We had a great deal of trouble with our Texas service; we had terrible opposition; these people have tried to crush us out, because we are new men, and have taken these contracts; we have taken them pretty low, it is true; we have had a great deal of trouble; we have had all sorts of work to keep ourselves going.

Q. These original contracts that were let in the letting of 1874; was that about the time that these fraudulent bids were made in the Department, when a fraudulent seal was used; was that at the same letting?—A. No; that was at the next letting. You mean this Kittle business?

The CHAIRMAN. Yes; we have had Kittle mixed up with this, a good deal.

A. No; it was at a subsequent letting.

Q. This was the subsequent letting?—A. Yes, sir.

Q. This was in 1875, was it?—A. Yes, sir.

Q. And the other was in 1874?—A. The other was in 1874. I never heard of a fraudulent stamp or anything until the letting before this last one.

By Mr. LUTTRELL:

Q. How much are you receiving now for carrying the mail from Fort Concho to El Paso?—A. \$30,903.

By the CHAIRMAN:

Q. How is the contract made with you for carrying the mail, for what length of time?—A. Commencing when we commenced—it had been running four or five months at hazard—until the 30th June, 1878.

Q. You say you were notified; how were you notified?—A. We were notified officially, I think, that the service was offered. Colonel Roots was notified; our company was notified in some way.

Q. That you could carry it at your bids?—A. That it was at our option to take it; nobody else below us seemed to want it.

Q. That was the Texas service?—A. That was this large route, five hundred miles long; it was advertised at four hundred and seventy-five, but I think it is about five hundred miles.

Q. The Fort Concho route?—A. Fort Concho to El Paso, Texas.

Q. Do you know who the other bidders above Grant were?—A. I forget them; I did know; I think this man Hinds was in there. It is on the books; you can easily get them. I forget the names.

Q. I did not know but you knew some of the parties?—A. No, I do not remember; I had my business to attend to, and it kept me pretty busy. We were not very anxious for that.

Q. Where did you keep the office of your company?—A. At Little Rock, Ark.

Q. How is your business kept there; in regular books?—A. Yes, sir; regular books.

Q. All your expenses?—A. Yes, sir; all our expenses, everything.

Q. Does each one of the partners return the expenses to the book-keeper, and he makes up his books from those?—A. Yes, sir.

Q. With vouchers?—A. Yes, sir; we have vouchers; we never pay out a cent without vouchers.

Q. All the accounts on your books, then, have vouchers?—A. There are vouchers to represent them; yes, sir.

Q. Have you any accounts on your books which have been placed there without any vouchers, on the word of the partners?—A. No; none that I remember.

Q. We found a number of mail-contractors, the reason I am asking you the question, who had accounts of that kind on their books; I did not know whether you made entries of that sort or not.—A. It is pretty hard for us to keep our heads above water. We could not afford to pay out any money to anybody.

Q. Then you have not paid out any money?—A. No, sir; we have done a legitimate business.

Q. The money has all been legitimate that you paid out?—A. Yes, sir; we have had hard enough work to make both ends meet.

Q. Then you have had no corruption fund in your company?—A. Not to this present day, and it is probable we never shall have.

By Mr. LUTTRELL:

Q. As I understand your company has had some trouble with the straw-bidders?—A. I cannot say that we have had trouble with them; they have failed, and we took the service most of the service we have got has come back.

By the CHAIRMAN :

Q. Have you bought out any bidders ?—A. No, sir.

Q. Have you ever had any straw-bidders bid for you ?—A. No, sir.

Q. All the bids that you are interested in were in your company's name, or some member of the company ?—A. Yes, sir; fair and square. They investigated us thoroughly. This fellow Kittle and, in fact, Grant have been terribly down on us, because we have got a lot of service and carry it along; and we went through the fire just as much as anybody.

Q. It seems to me you ought to have learned a good deal about how these men operated who were doing straw-bidding; cannot you tell the committee if you have any knowledge on the subject ?—A. They called every man that failed a straw-bidder.

By Mr. LUTTRELL :

Q. We have been endeavoring to break up this system of straw-bidding, which honest contractors, of course, are anxious to see broken up, and we have endeavored to shape a bill to prevent this straw-bidding, in order that fair, honest, and conscientious bidders may obtain contracts at fair rates, and perform the service to the satisfaction of the people and the Government. You know of this system of straw-bidding; can you suggest anything which will aid us in breaking it up? You are a contractor, having had considerable experience, and having had to contend with these straw-bidders; can you suggest any amendment to the law from your practical experience that will aid us in this matter ?—A. I have studied on that thing somewhat; I think I could make some suggestions; I think I could study it up. This five per cent. check business does not stop it, and it really prevents honest competition. A great many of these fellows that want to straw-bid can furnish checks, if they want to. It seems to me there is some way to get at it, or ought to be.

By the CHAIRMAN :

Q. You think, then, that the 5 per cent. plan prevents poorer men from bidding who would take contracts if they did not have to make a deposit by check ?—A. Yes, sir; I do.

Q. And you think the mail-service is more expensive to the Government on account of the 5 per cent. check required ?—A. I do. I think that every man that is a mail contractor ought to exhibit himself and be known, and be indorsed and all that kind of thing.

By Mr. LUTTRELL :

Q. You have what is known as the San Diego and Mesilla route ?—A. Yes, sir.

Q. On what terms did you take that contract, or in other words, what did you receive for carrying the mail there in the first instance ?—A. We bid it off at \$55,000.

Q. How much service ?—A. Three times a week, on a schedule of twelve days through, about two and one-fourth miles an hour, I think.

Q. Have you had an increase of that service since ?—A. That service has been expedited.

Q. Just explain, now, in what manner, how much, and what the amount is.—A. We get now \$100,000 for it.

Q. What time do you make it in ?—A. We make it in eight days.

Q. From Mesilla to San Diego ?—A. Yes, sir; we run on a schedule of nearly five miles an hour.

By the CHAIRMAN :

Q. About double your original time ?—A. Yes, sir.

By Mr. LUTTRELL :

Q. About what was the additional expense of this ?—A. The expense under the expedited schedule would be about double; I think it would be a little over double.

Q. What amount of mail do you carry through daily, or do you run daily now ?—A. No, sir.

Q. You run three times a week, the same as you did before ?—A. Yes, sir.

Q. What amount of mail do you carry each trip, average through mail ?—A. It is a very heavy mail; it averages several hundred pounds.

Q. Do you run stages all the way ?—A. Yes, sir; we run stages all the way through, except on a little gap, and those are stages also, horses.

Q. You run wagons or stages all the way through ?—A. Yes, sir.

Q. You connect with the railroad now at the terminus of the Southern Pacific, do you not ?—A. No, sir.

By the CHAIRMAN :

Q. What was Barlow's time on that route ?—A. I forget what Barlow's time was; it is easily ascertained, it is a matter of record.

By Mr. LUTTRELL :

Q. You say that mail averages several hundred pounds a trip ?—A. Yes, sir; it is a very heavy mail.

Q. Each way?—A. It is not so heavy coming in to the coast as it is going out, but it is pretty heavy.

By Mr. CANNON :

Q. Not so heavy going West as it is East?—A. Not so heavy going back to the coast as it is going East.

By the CHAIRMAN :

Q. It is heavier coming from California than it is going?—A. Yes, sir.

By Mr. LUTTRELL :

Q. Did you run a stage or a wagon last winter all along throughout the route from one end to the other, or did you pack it?—A. No, sir; we never packed it; we have run stages and wagons all the way through.

Q. Upon whose recommendation was this service expedited?—A. In the first place, on petitions all over the country. The service was no service at all the way it was advertised. There were petitions from the people of New Mexico, the people of Arizona, the people of California, the military of both of those Territories, personal letters of General Crook and others, all the territorial officers from the governor down, the chamber of commerce at San Diego, the entire California delegation, except yourself. Mr. Sargent took personal charge of the matter, being so requested by all his people; both the Delegates from Arizona and New Mexico, several of my friends, and both the Senators from Arkansas, and members also, went up about as my friends.

Q. And upon this indorsement of the petition you received the order for expediting the service?—A. Yes, sir; the service was expedited. This was a long time under consideration. The whole case is up there in the Department.

By the CHAIRMAN :

Q. Did you use any other means except the ones you have mentioned?—A. No, sir; it was a fair, straightforward transaction.

By Mr. LUTTRELL :

Q. Did you or any member of your company hold any powers of attorney from lower bidders than yourself?—A. No, sir; we did not; we were the lowest bidders. We underbid the straw-bidders in that case. In fact, Mr. Creswell (whom I did not know) said, "That is a straw-bid." It was the lowest bid, and we started the service and we performed it.

By the CHAIRMAN :

Q. Mr. Creswell?—A. Yes; so I heard; he said that that was a straw-bid.

Q. Was that the bidding in 1874?—A. Yes, sir; we were the lowest on the list; and I think there were straw-bidders above us.

Q. Have you any idea from the general appearance of the mail what kind of mail-matter you carried over that line, whether it consisted of newspapers or letters or books or merchandise, or what it was?—A. We supplied a great many military posts. We are now and have been, loaded down with merchandise, so that we could not haul it. Last summer we had to get leave from the Department to let it wait over, it came so thick. Merchants out there commenced getting their goods that way from New York, and we have been terribly loaded now and then with that, and we are having some trouble now. There was one firm there used to get five and six hundred pounds in a mail. We would very frequently start out with seven or eight sacks of merchandise alone.

Q. That is the only route running out into that country?—A. Yes, sir; it is the only route.

Q. For all of Arizona?—A. Fort Yuma is a military post, with six or eight companies. They generally take one letter-sack and about two of papers. Then we go on to where it branches off at McDowell and Phenix; there they have part of a sack.

Q. When you spoke of an average of 300 pounds, did you include all the matter?—A. No, I did not include this merchandise. That is a terribly heavy amount, sometimes.

Q. What is the average?—A. It is a very heavy mail. We carry the mail out for seven or eight military posts.

Q. Still, you manage to get it all out?—A. We have to do it.

Q. And you do it?—A. We do it. I guess our service has been scrutinized about as close as any. We went out there as new men, and you know when a man takes a new route and goes in, he has to do his work right up to the handle, and Governor Jewell is a man that makes mail-contractors do their duty. He seems to make them come right up to time. We have had special agents go over our road, and all that kind of thing.

By Mr. CANNON

Q. Along last summer you say there was this merchandise carried to some of the forts out there in the Territory?—A. Yes, sir.

Q. That gave you some trouble?—A. We hauled one load through while I was in the Territory that nearly killed one string of our stock.

Q. That was one load, only?—A. That happened to come at one mail. Our agent piled it on.

Q. Ordinarily the mails are not loaded in that way?—A. Ordinarily there is not over 1,200 or 1,400 pounds of merchandise on top of the regular mail. It comes in sacks, of four-pound packages.

Q. Ordinarily, about how much is there of merchandise?—A. I don't think there has been a mail that has gone out there for several months, unless it is recently, that has not had two or three sacks of merchandise.

Q. How much would they weigh?—A. It is owing to the quality of the merchandise. Generally, where they put up shawls, stockings, handkerchiefs, and that class of goods, it is not so heavy. We cannot get so much into a sack, but we have had sacks that would weigh 150 pounds.

Q. How much would they average?—A. They would average 100 pounds, I should think.

Q. And that merchandise generally would come from California?—A. No, sir; most of it has been put up in New York. It comes direct from New York, and is carted clear across by railroad, for which the Government pays.

Q. You have some ores to carry, do you?—A. No, not out. We carry a good deal of gold-dust in now, I think, but then it is paid regular letter-postage, and it is a good thing for the Government; but this merchandise is an abuse of the law and an outrage, I think.

Q. Certainly; but I am trying to get at how much there is of it.—A. There is a great deal.

Q. Do you think it will average about three sacks of one hundred pounds each?—A. Yes, sir.

Q. Every trip?—A. Every trip.

Q. That you take at this end of the route at Mesilla?—A. No, sir; it goes from the Union and Central Pacific, and then down to San Diego, and then out. That is the quickest way.

Q. You take it at the California end of the road?—A. Yes, sir.

Q. You don't take any at this end?—A. No, sir.

By the CHAIRMAN:

Q. Were you aware of that when you bid for that contract?—A. No, sir; the law has been enacted since.

By Mr. CANNON:

Q. When did you take the contract?—A. We took the contract in February, 1874.

Q. When was it awarded to you?—A. It was awarded to us a few days before.

Q. When did you enter upon the contract?—A. We entered upon the contract July 1, 1874.

Q. When did you first notice this merchandise beginning to crowd in on you?—A. This merchandise commenced coming along about the last of 1874, I think.

Q. Don't you recollect now that in June the law went into effect?—A. Yes, sir.

Q. Increasing the weight of merchandise?—A. Yes, sir; it commenced right from the jump coming on us, but not so bad. About a year ago it was terrible; I don't know what we would have done if we had not got relief from the Department, authorizing the postmaster to hold it over.

Q. It is just about a year now since it was at its worst?—A. Yes, sir. First it came along slowly, and people would get one thing and another, and then it commenced coming hot and heavy last summer.

Q. That was in the summer of 1875?—A. 1875; the year after it really commenced.

Q. It was worse in the summer of 1875 than it was in the summer of 1874?—A. Yes, sir.

Q. Worse than it was in the winter of 1874?—A. Yes, sir.

Q. It is still bad, is it?—A. It is still bad, and you can't stop it.

Q. Not much different from what it was last summer?—A. I will give you a reason why it is bad.

Q. I understand. I want to know whether you carry about as much now as you did last summer?—A. I don't think the raising of the postage to 16 cents a pound has made a particle of difference with those people. It is worth 75 cents a pound to bring that merchandise.

Q. You are aware that the postage was raised 8 cents a pound about the 1st of March, 1875?—A. Yes, sir.

Q. It kept on increasing during that summer and fall?—A. It didn't make a bit of difference. The people that used the mails to get their goods in, used them just as much after it was 16 cents a pound as when it was 8 cents a pound, because 16 cents a pound is very cheap; it is just half what they would have to pay.

By the CHAIRMAN:

Q. On that route that you speak of, the goods go from New York to California, and from California down to Lower California, and then by mail to Arizona?—A. Yes, sir.

Q. That is about the longest route for merchandise to travel that there is in the United States, isn't it?—A. Yes, sir.

Q. If there is any hardship in the mail-service it would strike more directly and with

more force on that route than on any other route in the United States?—A. Yes, sir; our route suffers more than any other route in the United States. Tucson is the most inaccessible point on the American continent, I guess.

By Mr. CANNON:

Q. Over that route you averaged three times a week, 300 pounds of this merchandise?—

A. We have averaged that, unless it has stopped lately.

Q. Three times a week; that is, on each trip 300 pounds?—A. Yes; but it sometimes has been three times that.

Q. Yes, and sometimes less?—A. Yes, sometimes less.

Q. I am speaking now of the average being at about 300 pounds of merchandise in the mails over that route every trip?—A. Yes, sir.

Q. And you make three trips a week?—A. The Department has got a record of it.

Q. I understand; but I want to get it here?—A. The postmaster has made a report of the amount that used to go there, and it was dispatched by him.

Q. You are satisfied that the cost is very largely less, perhaps 50 or 60 cents a pound, than it would cost for them to get it in some other way?—A. Our rate by express from the coast to Tucson, is 65 cents a pound.

Q. Yours is the only transportation company isn't it, from the coast to Tucson?—A. There has been a new company started from the end of the road and we have cut down our rate. We are carrying now for one-half the rate we used to. We are getting 30 cents a pound, now.

Q. You used to get 50 or 60?—A. 65 used to be our rate.

Q. Competition has brought it down one-half?—A. Yes, sir.

Q. You still make money on it, don't you?—A. It is five hundred miles.

Q. You make money; you can afford to do it, can't you?—A. Not very well. We would not do it if we didn't have competition. We have got a wild-cat company out there that say they are worth \$10,000,000.

Q. That is the only competition you have?—A. Yes, sir; it used to be 65 cents a pound, and that is not too much.

Q. It is now 30?—A. Yes, sir; we have reduced it to 30, and that is about one-half the regular price. I can get you data of the merchandise, the regular report.

Q. I understand that. Who are your partners?—A. Mr. E. S. Mitchell.

Q. Have you anything to do with a man by the name of Roots?—A. Colonel Roots? Yes, sir; he is interested in the Texas service that we took last year.

Q. Is that the first Texas service you ever had?—A. Yes, sir.

Q. Do you know a contract-clerk that used to be in the Post-Office Department by the name of Dr. O'Brien?—A. I know a Colonel O'Brien.

Q. Who used to be a contract-clerk in the Post-Office Department?—A. Yes, sir; I know him.

Q. How long have you been acquainted with him?—A. I don't think I have known him over a year and a half.

Q. Have you ever had any business with him in the Department?—A. He used to certify my routes. I just know him, and that is all. I think he was a very mean man.

Q. You know him, and that is all?—A. Yes, sir.

Q. Doesn't he know of you procuring straw-bids to be put in?—A. He does not.

Q. He does not?—A. He does not; no, sir. I don't think I ever had fifty words with the man.

Q. Yours is Roots, Kerens & Co., the Texas route?—A. Yes, sir.

Q. You never bid on any Texas route, I understand, until 1865?—A. No, sir; I don't think I ever bid on any Texas routes.

By the CHAIRMAN:

Q. Or Roots either?—A. No, sir; Roots never did. He never bid on any until last year.

By Mr. CANNON:

Q. Hadn't you some man over in the Interior Department that was bidding for you?—A. No, sir; there was a man in the Internal Revenue that used to be Roots's clerk, when he was here in Congress; I believe that he bid in his name; a man by the name of Coffin. Coffin is attending to his business now. He bid in Coffin's name. The reason he did that, I suppose, was because he could go Coffin's bond. He is the representative, and Coffin is attending to the business.

Q. Roots used to be in Congress, you say?—A. Yes, sir.

Q. When?—A. I think he served in 1868.

Q. Why do you say O'Brien is a mean man?—A. Because I heard this same story, and he dare not tell me so.

Q. I want to know whether you know of anything; I don't care what you have heard.—A. No, I don't know anything, but I think he is a liar. I think he would blackmail us if he could.

Q. What makes you think he would blackmail you ; what do you know about it ?—A. I have heard this story, and I have heard threats.

Q. Do you know anything of your own knowledge ?—A. No ; I do not. He wrote a letter to Coffin, asking Coffin if he would see Roots and me, and let him have \$200. Coffin carried that very letter and handed it to Mr. Tyner, Second Assistant Postmaster-General. He addressed him as "Dear Coffin." Coffin never knew him, and never had anything to do with him.

Q. Did you see the letter ?—A. Yes, I did.

Q. When was that letter written ?—A. Last January, I think ; early in the winter. He said, "Will you see Kerens or Roots, and get me \$200 ?" That was the drift of it. It was in the shape of a threat or something of that kind. Mr. Coffin carried the letter or handed it to Mr. Tyner.

Q. You are satisfied that upon your route, the San Diego and Mesilla route, there is a loss to the Government and hardship to the contractors more than on any other route in the United States on account of the quantity of merchandise ?—A. I think so, on account of Tucson being the most inaccessible point, and on account of there being a lot of Jew merchants out there that are always ready to take advantage of the law in any way, and they openly boast, and I think there has been a feeling to sort of break us down. I think it is probably the worst in the United States.

Q. You speak of doing that service, expedited as it is, for \$100,000 ?—A. Yes, sir.

Q. Do you know how frequently Barlow performed the service ?—A. I think it was the same number of trips.

Q. Was his schedule greater than yours ?—A. I don't know, I never have examined into his service. All I know is the price that he used to get. I never examined his schedule.

Q. You don't know what the schedule was ?—A. No, sir.

Q. And you are not certain even the number of trips ?—A. No, sir.

Q. When Barlow had this contract it was before merchandise was allowed to go through the mails that weighed four pounds, wasn't it ?—A. Yes, sir.

Q. The postage then was how much ?—A. Eight cents a pound, and only three-quarters of a pound allowed in the mails.

Q. Sixteen cents a pound, wasn't it ?—A. No, sir ; it was half a cent an ounce, and only three-quarters of a pound allowed in the mails.

Q. So that you carry much more merchandise than he used to ?—A. I should say we did ; I don't know that he carried any.

By Mr. MILLER :

Q. It was cheaper then ?—A. Yes, sir ; it was not allowed in the mails at all. It couldn't go in the mail by law.

By Mr. CANNON :

Q. That is, to exceed twelve ounces ?—A. To exceed three-quarters of a pound, as I remember the law.

Q. Then any pretense that merchandise broke the mails down, and tripled or quadrupled the expense under the law, would be a mistake, would it ?—A. There was no merchandise allowed under the law. That was a question that came in under that law of June, 1874.

Q. But it was allowed in samples, up to the extent of twelve ounces ?—A. Yes, sir ; and I am willing they should put that back, and they may all go into the merchandise business if they want to.

Q. I am speaking of the law as it was prior to the increase to four pounds when Barlow had that route out there ; Barlow's time was up about the time that the law went into effect ?—A. Yes, sir.

Q. What would you say of the pretense that merchandise, under that old law, broke down the mails, as to whether there was anything in it or not ?—A. I don't think there was anything in it. It don't look that way to me.

Q. This route you bid for when Creswell was Postmaster-General ?—A. Yes, sir.

Q. And you underbid the straw-bidders ?—A. We were the lowest bidders. There was not anybody below.

Q. In this Texas route you speak of a man by the name of Parker, and another by the name of Taylor. Were they not partners of Sawyer's ?—A. I don't think Parker was ever understood as being a partner of Sawyer's.

Q. They operated together, however, didn't they ?—A. I don't know as to that, only in this Concho and El Paso route.

Q. That is the route I am speaking of. They operated together, didn't they ?—A. It seems that Sawyer stocked and started the service, appearing on the 1st of July with an order from D. B. Grant.

Q. And then when the service failed Sawyer's stock continued to perform the temporary service ?—A. Sawyer's stock represented the thing all the way through until the Postmaster-General peremptorily ordered the mail-service taken away from Sawyer's stock, and the military was ordered to carry the mail.

Q. And the military carried it awhile ?—A. The military carried it, I think, eight or nine weeks.

Q. You refused the service at first, didn't you?—A. We sort of hemmed and hawed about it a day or two before we agreed to take it, because it was pretty low, and we had our hands full.

Q. But you finally concluded to take it at \$30,000?—A. Yes, sir; we finally concluded to take it.

Q. And have been performing it ever since?—A. We have, regularly and promptly, and I don't know that we are making anything out of it, but we have got to go through. These fellows have all made their boasts that we would get broken up.

Q. You speak of getting a great deal of service in Texas?—A. Yes, sir; a great deal of service in Texas.

Q. You said something about Kittle and Heims and others making war on you?—A. No, not Kittle. I am not afraid of all the war he can make; but Sawyer wrote letters all over Texas to just make it hot for us and all that sort of thing.

Q. Was Taylor interested with Sawyer?—A. Yes, sir.

Q. Taylor was his man out in Texas?—A. Yes, sir; and they did make it pretty hot for us. We could not hire anybody to "sub" the service to. We had to show that we had the money ready to pay for anything we wanted, and would have to pay in advance, and all that sort of thing. We followed such men as Kittle into that country, men who are a disgrace to mail-contractors and a disgrace to the Government. He paid nobody, and swindled everybody; and Sawyer didn't pay very well, either.

Q. Sawyer and Taylor made representations that you would not pay; they tried to injure your credit?—A. They injured our credit in every way. They said we had nothing, and the fact of the matter was if Colonel Roots hadn't had plenty of money, and been pretty stiff, we would not have gone through.

Q. And you, notwithstanding that, are doing the service now?—A. Texas now all over is our friend. We have established a credit and have established a name, and my draft, or Colonel Roots' draft is good anywhere in any town in Texas that we are interested in anywhere. We have got the service fearfully low, there is no doubt about that.

Q. Everything is cheaper now than it was eight or ten years ago, isn't it, in Texas and everywhere else?—A. Yes, sir; I should think it was; I think that is correct.

Q. Very greatly cheaper, isn't it?—A. Well, I wasn't there at that time.

By Mr. MILLER:

Q. Is the eastern terminus of your route, the San Diego route, the same now as when Barlow had it?—A. Yes, sir.

Q. And the route is the same length?—A. No, sir; it is longer now.

Q. By taking in this extra route?—A. Yes, sir; Silver City and Piños Altos; he got a side supply for that.

Q. There is more settlement in that country than there was when he had it?—A. Mr. Stevens stated last year that he thinks Arizonia has doubled her population.

Q. There is a great deal more travel now over the road?—A. Yes, sir; I think so. The Indians were very bad when Mr. Barlow had it. I have never been bothered much with the Indians.

Q. That was the route on which there were Indian troubles?—A. There were great Indian troubles there; there is no doubt about that.

Q. The massacre of drivers and stealing of stock, &c.?—A. Yes, sir; it was a bad Indian country when I went out to stock the road, I and Mr. Mitchell. We traveled at nights.

Q. Did Barlow have to build stations and make roads that you did not have to do?—A. I don't know about what he did.

Q. The country was newer when he took it. He had to make some stations, I suppose?—A. Yes, sir; I guess he had to make stations. We bought a lot of stations from his representative, but this service used to be run by Butterfield; this is the old Butterfield route, which was run before the war. It was broken up by the war and moved up north, and we are using the old Butterfield stations now, built by Butterfield.

Q. So that you have more outside business than Barlow, from the fact of the country being settled?—A. Yes, sir; I think we have.

Q. And probably less expense in building roads and stations than he had?—A. I shouldn't wonder if that was the case, too.

Q. And not so much risk from Indian depredations as he had?—A. We have not had scarcely any Indian troubles since we began. The Indians have broken out now and killed some men, and are raising a good deal of trouble there east of Tucson, but this is about the first serious break-out we have had.

Q. Those considerations then would make it safer to take the route at a less price than it would in those days?—A. Yes, sir; that is true.

WASHINGTON, D. C., *May 17, 1876.*

JOHN P. TAGGART sworn and examined.

By the CHAIRMAN:

Question. State your residence.—Answer. Salt Lake City, Utah.

Q. Have you ever been engaged in mail contracts? If so, give the committee any information you have on the subject.—A. I have not. I was a bidder on mail contracts seven years ago, or at the first lettings after General Grant was elected President. I was a bidder, but I was not a successful bidder.

By the CHAIRMAN:

Q. You got no contract when bidding in your own name?—A. No, sir.

Q. Were you interested in any contracts that were run?—A. No, sir. I did not even become interested.

Q. Were you not interested in some contracts with Gilmore & Salisbury?—A. No, sir. I did not become interested with them. My connection with them ceased before they received their contract.

Q. Your connection with them how? Please explain.—A. I was to become a partner on receiving certain contracts, providing they obtained them, but they did not obtain them, as they represented to me, and my connection with them was severed at that time.

Q. You were to have an interest in case they obtained certain contracts?—A. Yes.

Q. What contracts were those?—A. There was one contract from Salt Lake City to Pioche, and one from Corinne to Helena.

Q. Who did get those contracts?—A. They got them, or rather a man by the name of Hugh White, obtained the contract, I think, from Salt Lake City to Pioche, and Gilmore & Salisbury obtained the contract from Corinne to Helena.

Q. If they obtained the contract, and your agreement was that you were to have an interest in that contract, why did you not get it?—A. Because it was not obtained at the time that I was to go in with them in the way they expected. From their misrepresentation of it, I went out.

Q. How did they obtain the contract?—A. I don't know.

Q. How did they represent to you that they obtained it?—A. They never did represent to me that they ever obtained it.

Q. How do you know that they had it?—A. Because they run it and received the pay for it, from what I have heard and seen since.

Q. Did you never interview them on the subject, to know what your rights were in the premises?—A. Never but once.

Q. What information did they give to you about it then?—A. As I said before, it was not obtained in the manner in which I was to obtain it—through my influence.

Q. What was the consideration for your entering into a contract with them?—A. I was to use my influence, if I had any, and I supposed that I had, through Mr. Morgan L. Smith, to obtain the contract for them. Mr. Morgan L. Smith told me that he could obtain it for the consideration that Gilmore & Salisbury agreed to pay him. Whether they did pay him or not, I do not know, but it was represented to me that it was not obtained through that consideration.

Q. You are now speaking of Morgan L. Smith?—A. Morgan L. Smith. He was the brother of the then Second Assistant Postmaster-General.

Q. You proposed to use your supposed influence with Morgan L. Smith for the purpose of getting the contract?—A. Yes, sir.

Q. You proposed to use your influence for the purpose of getting the contract for them, but they told you afterward that your influence was not worth anything; is that what you mean?—A. That is what I mean.

Q. And therefore they would not allow you any interest in the contract?—A. No; it was more a mere obligation than anything else; I had no specific obligation.

Q. They declined to let you in?—A. Yes, sir.

Q. You spoke of Mr. Smith telling you—A. Smith told me that he was satisfied that he could get—

Q. If you should pay him?—A. Not that I should pay him, but they would; if they paid a certain amount of money they could get this contract—Gilmore & Salisbury should have this contract. At that time neither Gilmore nor Salisbury knew Morgan L. Smith at all; I did.

Q. Was that the route from Corinne to Helena?—A. Yes, sir; that is the one that Gilmore and Salisbury had at that time, if I am not mistaken, in their own name.

Q. That was in 1870?—A. That was in 1870. Hugh White got the other one. I cannot say that Hugh White got the contract in his own name, but he run the route for some time, and then sold it afterward to Gilmore & Salisbury.

Q. Gilmore and Salisbury both live in that country now, do they not?—A. They are there part of the time. They have numerous routes running up in Montana, Idaho, Nevada, and, I think, are probably interested in some in California. Neither of them make Salt Lake their home exactly, though Gilmore's family are there, and Salisbury's family are most of the time in San Francisco.

Q. What did they tell you about that route?—A. As one of the excuses, they alleged that the contract that they obtained up in Montana had cost them a good deal more than what I had agreed that they were to pay Morgan L. Smith.

Q. What did you tell them they were to pay?—A. They agreed to pay Morgan L. Smith \$10,000.

Q. How did they make that agreement?—A. Through me. When I spoke to Smith about it, he asked me what they were able to pay. The amount of it was just this: they had stock on the route, and were running for Wells, Fargo & Co. Wells, Fargo & Co. had the route before they did. They said to me that they were willing to pay anything rather than let any other man go on there, because they had the stock and could run it cheaper than anybody else. Then after I had made the agreement between Gilmore & Salisbury and Morgan L. Smith, the thing went along for some time, and I found out that they had, in the mean time, become intimately acquainted with Morgan L. Smith, and that it was no longer necessary to use me in any way.

Q. How did you find that out?—A. By seeing them together.

Q. Where did you make this agreement with Smith?—A. At the old United States Hotel in this city. That was our first conversation there.

Q. What did he agree to do?—A. He merely agreed to obtain the contract for them. How he did it, or whether he did it, I don't know. My general supposition at that time was that Morgan L. Smith was a good man to go to.

Q. That was your impression?—A. Yes, sir: he being a brother of the Second Assistant Postmaster-General, I thought probably he might have some influence.

Q. You say Gilmore and Salisbury told you they had to pay more;—A. Yes; but they never told me what amount.

Q. Did they say to whom?—A. No; they merely said they had to pay more than they had agreed, through me, to pay to Morgan L. Smith.

Q. They did not state to whom they paid it?—A. No; I didn't know that they ever paid Morgan L. Smith a dollar.

Q. Did Morgan L. Smith make any representations to you about any special influence that he had for getting contracts?—A. None in the world.

Q. Just state, if you please, how the whole thing occurred.—A. If I can recollect it, I will. Said I, "In consideration of this \$10,000, what assurance are Gilmore & Salisbury to have that they will get the contract?" He said to me, that the money would be returned to them if they did not get the contract.

Q. The money was to be paid before the contract was given?—A. Yes, sir.

Q. Did you report these facts to Gilmore & Salisbury?—A. Yes, sir; and they felt of course as I did; they were loth to put up this money unless they had some assurance that they would get the contract, or get the money back in case they did not get the contract; but I could not obtain anything else from Mr. Smith than that, that if they did not get the contract the money should be returned to them.

Q. Do you know whether the compensation for the Corinne and Helena route was increased at any time after the contract was awarded to them?—A. Only from what they said to me.

Q. Did Gilmore & Salisbury tell you how they got the contract at the time?—A. No; they merely said to me that they had to pay a good deal more than I had agreed should be paid to Morgan L. Smith.

Q. I want to know if they told you anything about putting in a bid, whether a bid had to be accepted. Did they tell you anything about a bid?—A. No, sir.

Q. They did not tell you anything about it?—A. No, sir.

Q. You had no relations or interviews or special acquaintance at that time with the Second Assistant Postmaster-General?—A. No; only a casual acquaintance. I knew Giles A. Smith.

Q. You do not know that he was cognizant of these facts that you have stated?—A. I do not know. I had no interview with him or any one else in relation to it, except with Morgan L. Smith.

Q. Morgan L. Smith is now dead, I believe?—A. Yes, sir.

Q. Do you know where Giles A. Smith lives now?—A. No, I do not; but I believe he lives some place in California.

Q. Do you know whether or not he is now interested in mail contracts?—A. I do not know that he was ever interested in any mail contracts.

Q. You state that Gilmore & Salisbury were largely interested in mail contracts?—A. That is the report. I do not know anything about it.

Q. Do you know where the headquarters of their mail-contract business are?—A. I think their main office is at Salt Lake City.

Q. Do you know who their book-keeper is?—A. I think a man by the name of C. L. Haynes; I will not be sure about his given name.

Q. Tell the committee the names of the members of the firm of Gilmore & Salisbury?—A. I know of no member of the firm except Gilmore & Salisbury.

Q. Can you give the names of any of their agents?—A. No; I cannot. What do you mean by agents?

Q. I mean men in their employ as business men, those who would be likely to know something about their business, so that we might subpoena them if necessary.—A. I cannot give you any names.

Q. You cannot state any of the names except the book-keeper?—A. None except the book-keeper.

Q. Did this man Hugh White have any connection with that firm?—A. Only recently in selling a route to them. In 1870 he got a contract below there and run it for a while, and then sold out to Gilmore & Salisbury. At the last bidding he bought out Gilmore & Salisbury's interest in the route from Salt Lake to Pioche, and in the last three or four months he sold back again to Salisbury, I think; I don't know whether Gilmore had any interest in that or not.

Q. You don't know whether he and White are partners or not?—A. They are not now.

Q. When did you make the acquaintance of Morgan L. Smith?—A. I knew him in the Army. I met him there two or three times, and met him here afterward.

Q. That arrangement that you speak of was to include those two routes?—A. Those two routes.

Q. Did you make any arrangement about any other mail-routes?—A. No, sir; those were the only two that they were interested in at that time, to my knowledge. Gilmore had been an old stage-driver and agent for Wells, Fargo & Co. I don't know what Salisbury's position was, but it was something in connection with Wells, Fargo & Co.

Q. Is that a very large and wealthy firm?

The WITNESS. Gilmore & Salisbury?

The CHAIRMAN. Yes.

A. I don't know how that is.

Q. What is their reputation?—A. Their reputation is that they have a good deal of money.

Q. They run large contracts?—A. Yes, sir; and Salisbury is engaged in mining a good deal; he has some very excellent mines out there.

Q. Do you know anything about any other routes of theirs?—A. I don't know of a single route that they run.

Q. You never had any conversation with them in regard to their other routes?—A. No, sir.

Q. Did you ever have any conversation with them about their mail business?—A. No, sir; not since that occurrence.

Q. Did you have any other conversation that you have not told the committee in regard to their mail business?—A. No, sir. After the severance of my connection with them at the time, I felt hurt of course, under the circumstances.

Q. On account of being ruled out?—A. Yes, sir; and since that there has been no communication between us at all.

Q. Do you know anything about a mail contract with J. W. Parker?—A. Only upon representation that there is such a man; I met him here two or three times at the last letting; I was merely introduced to him.

Q. When was the last letting?—A. I believe the last letting was in 1873.

Mr. CANNON. I think it was in 1874.

The WITNESS. Perhaps it was. The next letting will take place next July, will it not? This letting I speak of was the regular letting that occurs every four years. I think it was in 1874.

By the CHAIRMAN:

Q. Do you know anything about Parker's getting any contract?—A. Nothing except upon the representation of Hugh White, that he was a heavy contractor.

Q. White is the man you alluded to before?—A. Yes, sir; I don't think I would know Mr. Parker to-day if I should meet him.

Q. Parker himself told you nothing?—A. No, I never had any conversation with him.

Q. Was White with him at the time?—A. Yes, sir. If White's representations to me were correct, he had a great deal to do with Parker.

Q. You knew him well?—A. Yes, sir.

Q. Have you resided in Salt Lake City ever since that time?—A. Yes, sir.

Q. What is your occupation there?—A. I am a practicing physician there at present.

Q. I understand you have no knowledge of any other mail contracts of Gilmore & Salisbury, or any other mail-contracting firm except what you have stated?—A. No.

By Mr. CANNON:

Q. Was this \$10,000 that you spoke of ever paid to Morgan L. Smith by Gilmore & Salisbury?—A. Not that I know of.

Q. He was to get the \$10,000, as I understand, if the contract was allowed, and if he did not get the contract allowed he was to pay it back, and they declined to enter into that arrangement?—A. No, sir; they did not.

Q. They did not pay?—A. I don't know whether they paid anything. Gilmore & Salisbury wanted to know, if they paid the money to him, whether they would get it back if they did not get the contract.

Q. I understood you to say a moment ago that when you asked Morgan L. Smith as to what assurance he would give that they would get the contract, he said that if they did not get the contract, he would pay the money back.—A. Yes, sir.

Q. And you reported that to Gilmore and Salisbury?—A. Yes, sir.

Q. That was while you were still acting between Gilmore and Salisbury and Morgan L. Smith?—A. Yes, sir.

Q. They were not satisfied with that, were they? They were afraid to pay the money.—A. Yes, sir; they were afraid to pay the money.

Q. They were afraid they would not get their money or the contract.—A. Yes, sir. Finally, after talking the matter over for some time, they agreed that they would run the risk anyhow.

Q. That was while you were still acting for them?—A. Yes, sir. During the time of these interviews, when I supposed I was conducting the whole thing alone between Gilmore and Salisbury and Morgan L. Smith, I discovered one day in the Imperial Hotel, here in Washington, that Salisbury and Smith were sitting down together chatting very familiarly.

Q. I want to know whether the original arrangement between you and Gilmore and Salisbury was that you were to get this money and pay it over to Smith?—A. No, sir.

Q. They did not know Morgan L. Smith?—A. No.

Q. How was he to get the money as originally contemplated?—A. After they were acquainted with each other, the whole thing was accomplished.

Q. Smith was a man of not much property, I believe?—A. I do not know anything of his financial condition at the time. I do not know where his family resided.

Q. Was he not living from hand to mouth—a kind of soldier of fortune?—A. I think he was.

Q. What was he to do toward getting these contracts?—A. I don't know.

Q. Nothing was said about it one way or the other, as to how he was to get these contracts?—A. No, sir.

Q. Did Morgan L. Smith say anything about his influence with his brother, Giles A. Smith?—A. No, sir.

Q. The reason that you applied to Morgan L. Smith was this, if I understand you, that you knew he was a brother of Giles A. Smith, the Second Assistant Postmaster-General, and that you supposed he might have some influence with his brother on that account?—A. Yes, sir.

Q. But Morgan L. Smith never held out that inducement to you?—A. He never opened his head about it, and I never had a word of conversation with Giles A. Smith about it, or with any other man connected with the Department.

Q. And you don't know, in fact, whether Gilmore and Salisbury ever paid Morgan L. Smith a cent?—A. I do not know other than as I said before, because I severed my connection with them.

Q. What interest were you to have in these routes in the event that Gilmore and Salisbury got the contract?—A. I was to have a one-third interest.

Q. Were you to furnish any capital?—A. Not a dollar. I was to have charge of the books.

Q. Then, by the original arrangement between you, they were to furnish the \$10,000; and if they got the contract you were to have one-third interest without furnishing any capital; but you were to devote your time to the care and charge of the books?—A. Yes, sir.

Q. Was there any agreement between you and Gilmore and Salisbury as to what the contract was to cost?—A. No. Gilmore was an enthusiastic man—one that had no appreciation of money in the world. He used to repeatedly say that he didn't care a damn what it cost—they must have it.

Q. They had stock on both these routes at that time, I believe?—A. Yes, sir.

Q. And either by bids or temporary service, or by buying somebody else's bid, they got the contracts finally?—A. I don't know how they got them.

Q. Anyhow, they performed the service?—A. Yes, sir. Not on both routes. They sold out one to White.

By Mr. MILLER:

Q. They did not get but one?—A. I don't know whether they got the lower route, or whether Gilmore and Salisbury got the Corinne and Helena and Salt Lake and Pioche routes and sold out.

By Mr. CANNON:

Q. Afterward—I mean by afterward after you had made this arrangement with them and some time had elapsed, and you were not getting your one-third interest in the route, according to the prior arrangement—you, of course, became somewhat anxious about it, and perhaps indignant, and went to see them?—A. No. I never went to them.

Q. You had a conversation with them?—A. Never but one conversation with them; but through other parties I became satisfied that they were not going to pay me anything—from what I had heard through Mr. White.

Q. You had a conversation with them about this matter?—A. Only with Salisbury; not with Gilmore.

Q. What was the substance of that conversation—in regard to your interest in the con-

tract?—A. I wanted to know when my interest would commence after the contract had commenced. After the contract had commenced, they didn't put the service on for some time and I spoke to Salisbury about it one time, and he said to me that they had to pay so much more for the route than I had agreed that they should pay Morgan L. Smith that they could not let me into the contract, but they would pay me for my services.

Q. Did they pay you?—A. Never a dollar. They never said what it would be.

Q. The time that they made this statement to you was after they had obtained the contracts, or at least after the lettings, when you were seeking to find out when your interest commenced?—A. That was after the contracts had been let, but I don't know whether they had obtained them or not.

Q. And then what was their excuse for not letting you have an interest in it?—A. Because they had to pay so much more. I don't know whether they paid a dollar more.

Q. Whether they had cheated the Government through Morgan L. Smith or not, or whether they were cheating you, you don't know?—A. I don't know anything about it.

By Mr. MILLER :

Q. Do you know that there were other bidders on those routes at that letting?—A. I don't know of any.

Q. You don't know but they were the lowest and only bidders?—A. I don't know anything about that part of it. I had nothing to do with the bids, nor the amounts, nor anything of the kind.

Q. By the contract that you made with Morgan L. Smith for those parties, was he to secure both routes for the \$10,000?—A. Yes.

Q. When you gave your first testimony, I understood you that they got but one and somebody else got the other.—A. That is my impression, but I am not positive.

By the CHAIRMAN :

Q. And they afterward bought out the other?—A. Yes, sir.

By Mr. MILLER :

Q. You don't know but they were the lowest bidders on that?—A. No; I don't.

Q. You say that Mr. Salisbury told you that he had to pay more than this \$10,000?—A. Yes, sir; by reason of which I severed my connection with them.

Q. You really did not believe that he would pay more when had the contract for \$10,000?—A. I did not believe it.

Q. You only have his word that he paid anything?—A. I have not his word that he paid anything except that he paid more than I had agreed to pay Morgan L. Smith.

Q. You don't believe that part as to the increase?—A. No, sir.

Q. Morgan L. Smith gave you no written agreement to get the contract?—A. No, sir; not a thing.

Q. The money was to be paid in advance?—A. Yes, sir; the money was to be paid before the contracts were let, with the positive assurance that if they didn't get the contract the money was to be returned.

Q. It was a verbal assurance?—A. That is all.

Q. You don't know of any parties officially connected with the Post-Office Department that received any money from these parties or that promised to do any service for money?—A. No; I don't.

By the CHAIRMAN :

Q. I believe you have not stated how it occurred that Gilmore and Salisbury came to you to get the contract for them.—A. It was nothing further than they knew that I was acquainted with Morgan L. Smith.

Q. What did they tell you when they came to you about the difficulties in the way of their getting the contract?—A. They alleged that they could not get into any of the rings here; they were green men, and could not get into any of the rings.

Q. That is the reason they gave you for wanting you to work for them?—A. Yes, sir.

Q. You spoke of third parties coming between you and Salisbury; that you had not had but one meeting with them, and that persons passed between you and them. Who were they?—A. I did not speak of any third parties coming between us.

Q. I understood you to say that you had only one interview.

The WITNESS. With whom?

The CHAIRMAN. With Gilmore and Salisbury.

A. I think I didn't have any interviews with them before this thing was accomplished.

Q. I mean after this failed.—A. I don't know whether it ever failed or not.

Q. After this supposed failure, then; I understood you to say something about other parties telling you what Gilmore and Salisbury had said.—A. That was in relation to their agreeing to satisfy me for the services I had performed. Mr. White said to me once or twice that Gilmore and Salisbury said they would make this thing good to me for \$10,000, which they never did. They never paid me a cent. I say they never paid me a cent; they paid my expenses.

Q. Your expenses here?—A. Yes, sir.

WASHINGTON, May 24, 1876.

SAMUEL M. LAKE sworn and examined.

By Mr. CANNON:

Question. Where do you reside?—Answer. In Washington.

Q. What is your business?—A. I am clerk in the Post-Office Department.

Q. What kind of clerk?—A. I am principal clerk of the inspection division.

Q. How long have you been principal clerk of that division?—A. Since December, 1872, I believe.

Q. What position were you in prior to that time in the Department?—A. Immediately prior I was in charge of a section in the inspection division.

Q. What are your duties as head of the inspection division?—A. My duties are to supervise all cases of fines and deductions to see that they are correct; all correspondence, also; in fact, all business that is done by the division, to supervise it, and put upon it my check-mark to show the head of the office, the Second Assistant Postmaster-General, that it is right.

Q. How many clerks are there whose work you supervise?—A. There are eleven clerks in charge of sections. There are fifteen clerks subordinate to me in that division.

Q. You also attend to the correspondence?—A. I supervise the correspondence and the making up of fines and deductions, and all business before the division.

Q. In the performance of your duties do you personally examine in all cases all proofs that are made up by the clerks, going through the case item by item, or do you simply supervise the work of the clerk and put your mark on it?—A. I do not look at all the papers in every case. For instance, there are a great many cases made up of forfeitures for a contractor who fails to perform a certain trip over his route which may amount to a dollar or two. I simply see that the calculation is right in those cases. I do not go inside of the papers and look them all over; it is impossible for me to do it.

Q. What cases are made up without any fines or deductions?—A. Well, we do not make up any "cases" where there are none. Where there are no fines or penalties, there are no "cases" to make up. We simply certify to the Auditor that all fines and deductions have been reported, and upon that he makes the certificate.

By the CHAIRMAN:

Q. That certificate to the Auditor comes from you as chief of the division?—A. Yes, sir; it comes through me, it comes from the clerk in charge of the section, but I have to put my mark on.

By Mr. CANNON:

Q. In cases where there are no fines or deductions, do you make a personal examination?—A. There is a certificate from the clerk in charge of the State certifying that all fines and deductions have been reported so far as returns have been made. There is no case to be made up, and that clerk certifies by implication that there has been full performance of service. It is only in cases of failure of service or violation of contract, by exposing the mails to depredations or wet weather, that fines are made up as provided in the contract.

Q. Where the fines and deductions are large, do you examine the papers?—A. I examine all the papers. In cases of fines or deductions or remissions, I examine every paper to see that the proofs are sufficient and in accord with the rules of the office.

Q. But where a fine is quite small, or a remission is quite small, or where there are no fines or deductions, do you examine all those cases, or do you just put your check on them on the report of the clerk?—A. O, I examine all cases of any importance, amounting to \$20, \$30, \$50, or \$100, as the case may be, critically, as to the fines and deductions, and also as to the remissions.

Q. Do you know Edward F. O'Brien?—A. I do, sir.

Q. Did you know him while he was a clerk in the inspection division of the Post-Office Department?—A. Yes, sir; he was subordinate to me for about three years.

Q. I want to call your attention to a case made up on the route from Vicksburgh to White River, \$7,505 for quarter ending 31st of March, 1875. Did you ever have your attention called to that case?—A. Yes, sir.

Q. What papers are these that I now hand you?—A. These are papers taken from the files of the Post-Office Department.

Q. Are they papers pertaining to service upon that route for that quarter?—A. Yes, sir, all of them; the original papers.

Q. Who was contract-clerk in that division at the time when that case was made up for the quarter ending 31st of March, 1875?—A. The inspection-clerk, Edward F. O'Brien.

Q. Were there any fines and deductions made up for that quarter?—A. Yes, sir; by Mr. O'Brien.

Q. What is that you hold in your hand now?—A. This is the "case" of fines and deductions, \$4,846.24, made up by Mr. O'Brien.

Q. Is that in his handwriting?—A. Yes, sir.

Q. Is that the wrapper that he had on the case?—A. This is the original wrapper that came to me for my inspection and approval.

Q. In O'Brien's handwriting?—A. Yes, sir; and it contained these papers when it came to me to be passed or disapproved.

Q. Did you examine the case when it came into your hands as head of the division?—A. Yes, sir.

Q. What did you do when you examined the case?—A. I found it to be incorrect, and I was directed to make up the case in accordance with my judgment and the rules of the office, and I did so.

Q. What amount of fines and deductions did you make?—A. I made it \$5,865.68.

Q. Is that the amount you reported to the Second Assistant?—A. That is the amount reported to the Auditor.

Q. Who made up that wrapper that you have now in your hands?—A. This is in my own handwriting.

Q. Why did you make up another wrapper?—A. I made up another wrapper because I was directed to do so by the Second Assistant. There were several discrepancies in a great many of these cases, and the Second Assistant said he guessed I had better make up the case myself. The Second Assistant Postmaster-General at that time was James N. Tyner.

Q. That wrapper goes outside of all the papers that you made up, does it not?—A. Yes, sir.

Q. There has been some evidence in this case about Colonel O'Brien's wrapper disappearing. State whether or not that is his wrapper that came round the papers when they came to you from him.—A. Yes, sir; that is the wrapper.

Q. You preserved that wrapper by placing it with the papers and putting the other wrapper outside of them all?—A. Yes, sir.

Q. Have you the papers here for the quarter ending March 31, 1873, on the route from Evansville to Cairo, No. 9603?—A. I have.

Q. Who made up that case?—A. Mr. O'Brien.

Q. Who had charge of that section at that time?—A. Mr. O'Brien.

Q. State whether any deductions or fines were had during that quarter?—A. There were none whatever.

Q. Why were there none?—A. Because of an omission of Mr. O'Brien to do his duty.

Q. What kind of a return was made of that quarter?—A. He certified that all fines and deductions had been made to the Auditor in the usual way, although the registers showed otherwise.

Q. Who put that wrapper on there?—A. That was put on by a gentleman named Johnson, who was then an assistant of mine in my room. This case was made up by him. When we found that Mr. O'Brien had made up this remission wrongfully we went to searching for the records to see what he had done in that case subsequent to that time, and we found these registers, which show that in this quarter there should have been deductions to the amount of \$1,298.16, and in other quarters we found papers aggregating nearly \$2,500.

Q. What are those that you hold in your hand?—A. What we call registers of arrivals and departures of the mails from the postmasters—monthly registers.

Q. What number and route is that?—A. 9603, from Evansville to Cairo.

Q. For what year and for what quarter?—A. 1873; for the quarter ending 31st of March. These papers are registers from the postmasters at Evansville and Cairo.

Q. What do they show for the month of January, 1873?—A. The register from Cairo shows an arrival on the 18th and a departure on the same day; an arrival and a departure on the 23d of January; an arrival on the 24th; an arrival and departure on the 27th. That is all the service shown on that register. On the back it states the cause of failure, "River frozen over; navigation closed."

Q. Without going more into detail, state whether all the registers for that quarter show more or less failures to perform service on that route.—A. All the failures at Cairo are in January. It seems there was full service in February and March. Evansville shows ten failures also in February, and two failures in March, and about the same in January as at Cairo. The causes stated for the failures in February and March are, at Cairo, "February 22, delayed sixteen hours by wind." On the 8th, "Mail-boat continued the trip to Memphis, Tenn.; all other failures, cause not given."

Q. Those papers are the returns from the postmasters at the termini of the route, upon which it was the duty of the clerk to either report no fines or deductions, if there were none; or, if service had not been performed, to report the amount of fines and deductions?—A. Yes, sir; it is his duty to examine these carefully, and see whether there is full service for the month, and in case of one or more failures to depart or arrive, he makes up the case of forfeiture pro rata, provided they have good cause. If it is neglect, double pro rata.

Q. Now, I understand you to say that Colonel O'Brien, notwithstanding those proofs, reported that case without any deductions?—A. Yes, sir; without any deductions whatever; as though the service had been full.

Q. What do the fines and deductions amount to, in fact, in that quarter?—A. \$1,298.16.

Q. How did you happen to find that out?—A. I was led to suspect that all was not right, by remarks made by Mr. Sweetser, when he was trying to get some remissions. Mr. O'Brien left that desk and another party took it, and he imposed deductions on the next quarter, somewhere in the neighborhood of \$600 or \$800.

Q. When did you discover that for the first time?—A. I think it was about June last.

Q. Nearly two years after it was made up?—A. Yes, sir; nearly two years.

Q. What is that "no ded." in pencil at the bottom of the paper?—A. No deduction. I put that on there myself.

Q. Why did you put that on there?—A. Indicating that there was no deduction made and none reported to the auditor. This was made up subsequently for our own information, to show what should have been done.

Q. Finish your answer about what Mr. Sweetser said.—A. Mr. Sweetser was there and endeavoring to get this deduction remitted, a deduction made for the March quarter of 1875. Mr. O'Brien had been changed to another desk, and when Mr. Lafetra was put at that desk he made the deduction that should have been made as shown by the reports, amounting to not less than \$600, I think. Mr. Sweetser was there for the purpose of getting this remitted, and he seemed provoked that it was not done since the company had not been subjected to any forfeitures for several years. He was sent down to our office by the Second Assistant, and in conversation he made this remark, that there had not been any deductions imposed for all these years, and I felt sure in my own mind that there was something wrong as soon as that remark was made, because when I was in charge of the inspection division I knew that the Ohio River was in the habit of freezing over, and it was the duty of the inspection-clerk to make them forfeit pro rata for each failure to arrive or depart, from whatever cause it arose; so I had the files examined to see what service the postmaster had reported. This was in 1875 that I had this examination made to see if he had made up the reports correctly. These registers were found. They are not more than half of the registers, perhaps not so many as that. They are not preserved more than a year usually, but we found a portion of them. They are incomplete. That is to say, there will be a register found for one month and the next month will not be found, but they are complete for this first quarter of 1873.

Q. Were there some failures in that first quarter of 1873 from other causes than ice—I believe you reported one from wind?—A. Yes, sir; one is reported from wind.

Q. For the quarter ending June 30, 1873, who had charge of the desk?—A. Mr. O'Brien.

Q. From the registers found on examination made in 1875, what should have been the fines and deductions for that quarter?—A. \$24.04.

Q. Did Mr. O'Brien report that without deduction?—A. He reported it without deduction.

Q. For the quarter ending December 31, 1873, from the registers found on examination in 1875 what should have been the deductions?—A. \$96.16.

Q. Did Mr. O'Brien have charge of that desk at that time?—A. Yes, sir.

Q. Did he report it without deduction?—A. Without any deduction whatever.

Q. For the quarter ending March 31, 1874, what should have been the deduction?—A. \$24.40.

Q. Did Mr. O'Brien still have charge of the desk?—A. Yes, sir.

Q. And did he report the full service?—A. Yes, sir; the full service without any deduction.

Q. For the quarter ending June 30, 1874, what should have been the deductions as shown by the registers found?—A. \$144.24.

Q. Was that quarter reported without deduction?—A. Reported without any deduction; Mr. O'Brien was in charge.

Q. For the quarter ending September 30, 1874, what should have been the deduction as shown by the register?—A. \$144.24.

Q. Was that reported full service?—A. It was reported full service without any deduction.

Q. For the quarter ending December 31, 1874, what should have been the deductions by the proofs?—A. \$576.96.

Q. Was that reported full service?—A. It was reported full service without any deduction.

Q. By Colonel O'Brien?—A. Yes, sir.

Q. You have the registers from the postmasters in all these cases?—A. The registers are not all here; these are made up from those we have found.

Q. Then these amounts of deductions have been made up from the registers that you have been able to find, which registers you have now in the cases?—A. Yes, sir.

Q. Look at the papers on the same route for the quarter ending March 31, 1872.—A. I have the papers.

Q. Who made up that case?—A. Mr. O'Brien.

Q. What were the fines or deductions for that quarter upon that route?—A. \$496.46.

Q. Made up by him?—A. Yes, sir; made up by him and reported to the Auditor.

Q. And enforced?—A. Yes, sir.

Q. Turn over and read what you find in red ink, on the other side of that wrapper; but first state by whom that was put there.—A. By Colonel O'Brien; it is in his handwriting; I am very well acquainted with it. "It appearing from report of postmasters and route-agent that service was performed on route 9603, although the boats were delayed, yet the mail was carried during the time reported; therefore remit \$496.46, the amount deducted from the pay of the contractor of route 9603, from May 3, 1872."

Q. Is that a remission of the whole amount?—A. Yes, sir; the whole amount.

Q. Read that in black ink.—A. I have read it all.

Q. That is signed, "French"—who is that?—A. Mr. French, the chief clerk of the Second Assistant Postmaster-General. This date, October 9, 1873, indicates the date on which he made the case. This is not his handwriting.

Q. "Reported to Auditor, October 11, 1873," is also indorsed there; why reported to the Auditor?—A. That is reported to the Auditor to enable him to make up the statement for the finance office, so that they may know how much to pay.

Q. Were you at the head of the inspection division at this time?—A. I was at the time the remission was made, but not at the time the deduction was made.

Q. That was made October 9, 1873?—A. Yes, sir.

Q. What was your habit where cases were made up for remission, to examine the proofs yourself?—A. Yes; to examine them very carefully.

Q. Did you examine the papers in that case for remission?—A. No, sir.

Q. Why didn't you?—A. I was not present; I was away on leave of absence, in Illinois.

Q. Your yearly leave?—A. Yes, sir.

Q. Then you were not in the office at the time that case for remission was made up?—A. No, sir.

Q. Hence, it did not pass through your hands?—A. No, sir; it went directly to Mr. French, chief clerk of the Second Assistant Postmaster-General, who acts in his stead in his absence.

Q. Did Mr. O'Brien know that you were not there?—A. Yes, sir; he knew that I was on leave and there was no one acting in my place at that time.

Q. Have you since examined these papers?—A. Yes, sir.

Q. What do the papers warrant, as to a case for remission?—A. They warrant no case of remission at all; there are no papers found in the case to warrant any remission.

Q. I find here, on one of the registers, a return from the postmaster at Cairo, please read it.—A. "Entire failure; no cause given. All other delays were caused by ice and wind; 28th, 29th, 30th, 31st, no boats here left this port for points above here on the Ohio River."

Q. When did you first find out about that remission?—A. Last year in the summer some time.

Q. How long after it was made?—A. About two years.

Q. When do you say the remission was made?—A. October 9, 1873.

Q. How did you happen to find out about that omission?—A. When I was led to suspect that there was something wrong, I went to the book which would show the amount of fines and deductions, and I found there had been none, except this one, entered on the record for three years, or about that time, and that this one that had been made up and charged to the contractors, had been remitted, so I got the "case" to see upon what ground the remission was made.

Q. That was the only deduction that the records showed had been made, and that showed a remission, and you went—looked for it and found it?—A. Yes, sir.

Q. Where a case is made up between clerks for remission upon the proofs, and passes through your hands and you examine it, do you mark it in any way?—A. Yes, sir; I put a check-mark on it in blue pencil. I put it at the point where the Second Assistant is expected to sign his name, and he sees that and it indicates that I have examined it.

Q. And if it is in blue pencil what does that mean?—A. That is the pencil I use in all my check-marks. That is equivalent to saying to the Second Assistant that I have examined the case, and that it is right.

Q. State as a matter of fact whether it is practicable for the Second Assistant to examine all these cases, or for his clerk.—A. It is not.

Q. What is the practice as to examining them?—A. I think the practice is to examine every fact.

Q. Then they depend upon the clerks and upon the head of the division below?—A. Yes, sir; very often it keeps him busy from 9 o'clock until 4 o'clock to sign his name.

Q. Do you know William D. Kittle?—A. Yes, sir; I know the man when I see him.

Q. Please tell the committee how intimate you have been with him?—A. I have not been intimate at all with him. I have never been on terms of intimacy with him; I think, perhaps, I have not spoken to the gentleman twenty times. I know I have never had conversation with him six times.

Q. Please state whether you were ever walking upon the street with him.—A. Never.

Q. Smoking cigars with him or drinking wine with him?—A. No; I never was on the street with him in my life, and if I have spoken to him at all upon the street the circumstance has escaped my memory.

Q. What are the facts as to your being intimate with any of the contractors?—A. I do not know of being intimate with any contractor employed in carrying the mails at all, or ever having been. It has been my policy to avoid any intimacy whatever with parties with whom I am doing business in the office.

By the CHAIRMAN:

Q. At what time did Mr. O'Brien leave the Department? When was his resignation put

in?—A. I think it was about September, 1875; I don't know whether it was September or October, but I think it was in September.

Q. You say you have been the principal clerk of the inspection division since 1873?—A. Since about the holidays of 1872. I think I took charge really after the 1st of January, 1873. My appointment dates the latter part of 1872.

Q. What were you in the Post-Office Department previous to that?—A. I had charge of a section in the inspection division, Ohio and Michigan.

Q. That included the river-service on the Ohio River?—A. Yes; that belonged to Ohio.

Q. In making up your certificates as an inspection-clerk in that section, what was your habit in regard to the service on the Ohio River?—A. My habit was to make the contractors forfeit pro rata for each failure. For instance, if they were required to perform three times a week service, that would be thirty-nine trips in a quarter.

Q. Without any regard to the circumstances?—A. Yes, sir.

Q. You took no excuse?—A. No excuse. That went into effect about 1870, a short time before I took a desk in the inspection division. Prior to 1870, they were allowed to present excuses, and if the failures were shown to be the result of causes beyond their control, they were allowed pay in full, but Mr. Creswell established the other rule.

Q. Do you state to the committee now that that was not the habit of other clerks in the inspection division to do that since 1870?—A. Yes, sir; I state that that is a fact.

Q. Then, there were no examples of that kind, except in O'Brien's section?—A. No, sir; not at the time covered by these cases.

Q. Have you gone over the account-books or records of the other clerks in that section or division?—A. No sir; I have not gone over them. What accounts do you refer to?

Q. The reports the same as O'Brien's.—A. O, no, sir; not all the cases in that division. It would take me three or four years to do it.

Q. But you went over O'Brien's in this particular case?—A. Yes, sir; when I was led to believe that he had not been doing right, and had been favoring this contractor.

Q. But you have not gone over the work of the other clerks in that way?—A. No, sir; I have not in a general way as I have over O'Brien's. Sometimes there may have been cases made up by them, and I would think that I had better call for certain other cases to see if everything was right; I have done that several times.

Q. Have you discovered no irregularities in any of the other sections?—A. No, sir; I have not discovered any irregularities in cases which had been passed a year or two previous; I discover irregularities every day in cases that come to me.

Q. What kind of irregularities do you discover?—A. Well, in the amounts, and sometimes clerks will make up cases not exactly in accordance with the rules of the office.

Q. What do you mean?—A. I mean this: that we have contracts with these contractors, and I think sometimes that they put on too much fine or deductions, as the case may be, for the circumstances.

Q. Have you not a regular rule for making fines and deductions?—A. Yes, sir; we have a rule so far that, in cases of failure, they forfeit pro rata for the trip. If they have not a good excuse the Department may make it double or treble pro rata, and may impose a fine.

Q. I understand you that the clerks have nothing to do with the excuses?—A. They have nothing to do but make up the cases according to the stipulations of the contract and the regulations of the Department.

Q. Is that the rule of the Department, that they are to make up the fines in all cases without regard to excuses?—A. They make up no fines unless there is dereliction of duty, but they make forfeitures in case a man has not performed the full complement of service.

Q. Call it forfeitures, then. Do they never take into consideration excuses of the contractors in making up forfeitures—excuses for failure to perform service?—A. Why, certainly.

By Mr. AINSWORTH:

Q. You say that the statute of 1870 prohibits your making any deductions on account of excuses?—A. O, no, sir; I did not say anything of the kind. Mr. Creswell changed the form of the contract, so as not to allow them any pay for any trip not performed. There was no statute regulating the thing at all.

By the CHAIRMAN:

Q. When a contractor is prevented from performing service by a providential interference, is that considered an excuse for a failure to perform service?—A. No, sir; not in so far as to relieve him from any forfeiture at all. He forfeits in that case what he would have received if he had performed the service.

Q. What is the rule in regard to that kind of cases, beginning with the clerks; what do they do, and what do you do?—A. Suppose here is a route from A to B, the postmasters at A and B make monthly reports. If it is three-times-a-week service their registers should report three-times-a-week service. If there is a failure the postmaster says failure, and reports on the back the cause—a rain-storm, high water, could not cross some river, or the carrier died on the way, or something of that kind. The clerk takes these registers for three months, making the quarter, and makes up his case. He finds one failure in January; one in Feb-

ruary; two in March, &c.; he aggregates the number of failures, and makes up the case, showing that there were ten failures during that quarter at \$2 a trip, making \$20 forfeiture during that quarter for A B, the contractor. There is no excuse for those failures; but if the postmaster at either end of the route reported that the contractor was derelict in duty, and did not try to perform the service, abandoned the route temporarily, then there is a penalty imposed in excess of this pro-rata forfeiture, and the contract specifies that it may be double or treble—treble is the limit. It also provides that the Postmaster-General may impose a fine for these derelictions, not exceeding a quarter's pay.

By Mr. AINSWORTH:

Q. Suppose A the postmaster reported, and B did not report at all, would the Department be authorized in paying?—A. Do you mean that the postmasters report no failures or report no service?

Q. If he reports nothing, no failure or no service?—A. Then the Department can not certify the service at all.

Q. Is not it the rule in the Department to pay upon a report from one end of the route without the other?—A. No, sir; we are a little more stringent now than we were three years ago; for instance, if on this route A to B we have three registers from A and only two from B, and the contractor has twenty routes, we would certify that route, assuming that he had performed the service in the last month, for which we had no register, because the service had been uniformly good heretofore, and, if we had not certified that, the Auditor could not pay anything, because he holds it up—because there is one route held back, although the other nineteen were certified.

Q. Is it not the rule in the Department to certify where you have a report from one end of the route without a report from the other?—A. No, sir.

Q. And do you not pay upon the rivers and the general routes without complete certificates?—A. No, sir; only so far as I have said; sometimes we do, one month being wanting, the service theretofore having been uniformly good.

Q. Well, I am speaking now of incomplete certificates; I am speaking of such a case.—A. Yes, we do that occasionally; where a man has a number of routes.

Q. And is not that your rule, to certify without complete certificates?—A. No, sir; that is not the rule. It is the exception. It never has been the rule since I have been in the Department; it has been the exception always.

Q. The testimony here has been that they never required a full certificate.—A. Well, it is incorrect, and can be shown to be so by at least twenty persons.

By the CHAIRMAN:

Q. For instance, where a contract is interfered with by a storm, or high water, or any other cause that is considered legitimate for a remission of the forfeiture, if the evidence comes in to the clerk when he makes up the papers at his desk, that there was this kind of excuse, do the clerks ever fail to make the forfeitures when they send the papers to you?—A. I don't know that I can answer that question. If there is any failure there are no excuses that will be taken. If the failure is made, he forfeits pro rata; and if he has been derelict, and it is so shown in the reports of the contractors, or of some special agent, or some other official source, there is a penalty attached, besides the forfeiture.

Q. I am not alluding now to a case where there ought to be a penalty, but only to a case where there is a failure for cause, not an intentional failure.—A. Do you mean to say, has the clerk discretion to omit these forfeitures when he has the excuse?

Q. Yes.—A. No, sir; he has no authority to do that.

Q. Then I understand you that none of the clerks do that?—A. No, sir; they do not. If they do, it is not known to the Department, and it is contrary to their plain instructions.

Q. What do they do then?—A. They make up a case similar to this you have in your hands, showing how many failures there are and the amount deducted, so much forfeiture for service not performed.

Q. Have you ever examined the reports from other clerks in your division to see whether that rule has been strictly complied with?—A. I examine the reports that come to me. That is my business every day of the year that I am there.

Q. And you find occasional clerical errors in the calculations, I understand, and you correct them and send them back?—A. Yes; I send them back for correction.

Q. On the jacket that covers the papers sent up by Mr. O'Brien to your desk, he had deducted \$4,628.24; on the jacket that you made up afterward there was a deduction of \$5,865.68. Now, why did not you discover that error when the case was sent up to you in the first place?—A. I did.

Q. Why didn't you correct it at that time?—A. I did correct it at that time.

Q. At that time that it was sent up to you?—A. I corrected it before it was signed.

Q. You saw the error when it came up?—A. Yes, sir; I examined it. I always examine such important cases as that, and those much less in amount.

Q. I notice that he deducts for eleven full trips at double price, and for six full trips pro rata; if the deduction was made as he had made it out on this paper, would his calculation be correct as stated?—A. I cannot say that it is; I do not remember the circumstances now.

I cannot tell you the items there ; I don't know anything about it. I examined the case and made it on my judgment.

Q. His error was in not deducting for the six trips double pay ; is not that the difference ?—A. I don't know now how I made the difference ; I knew it at the time.

Q. Is not that the difference ?—A. I don't know ; I can tell by the other cases, I suppose.

Q. You say deduct for seventeen full trips not performed : he says deduct for eleven at double price and six pro rata ?—A. Yes, I think that makes the discrepancy.

Q. Now, why did you deduct the full price on the whole seventeen trips when he only deducted for eleven that you can find out from the papers ?—A. I made the deduction double pro rata on the failures, because his boats were laid up at Saint Louis, and that was not considered sufficient excuse under the contract. His boats were laid up on account of ice nearly a thousand miles away.

Q. Then the difference between O'Brien's account and yours is because he has charged eleven trips double price and six trips pro rata ?—A. Yes, sir. His calculation is right, in accordance with his statement.

Q. State whether you have found errors of that character with other clerks when they sent you up papers ?—A. O, yes ; I find errors frequently. It is my business there to supervise the clerks. I have some clerks that make frequent errors, and some make very few.

By Mr. AINSWORTH :

Q. Is not the matter in the discretion of the clerks as to whether the evidence is sufficient or not ?—A. In the regular routine business it is. They consult me every day.

Q. But without consulting you, is not it a matter in their discretion ? Don't they determine first upon the sufficiency of the evidence ?—A. Yes, sir.

Q. And is it not frequently the case that you find errors in their exercise of discretion which you revise ?—A. Yes, sir.

Q. Do you consider it, in your Department, an evidence of dishonesty, the clerks having differed with you in judgment ; do you consider the fact that a clerk does not impose double or treble forfeitures or penalties an evidence of dishonesty ?—A. If there is a failure and he does not impose double pro rata, do I consider that an evidence of dishonesty ; is that the question ?

Q. Yes. —A. No, sir ; I do not.

Q. You consider it an error, a difference in judgment from yourself, do you not ?—A. Yes, sir.

By the CHAIRMAN :

Q. Is there any evidence of dishonesty in that statement of O'Brien's ?—A. No, sir ; I do not think that there is. I don't regard that case as being made up in favor of any individual, to favor Peterson or anybody else.

Mr. CANNON stated that he had introduced this testimony in explanation of O'Brien's evidence, that Mr. Lake had got a case of his and took his wrapper off—for that purpose, and not to show any dishonesty on the part of O'Brien.

The WITNESS. In his testimony he says that he made up the case for \$10,000, and subsequently found it on my table for about half the amount. I think it is only justice to me that the facts should be known.

Mr. AINSWORTH. There is no evidence that this is the case that he referred to ?—A. This is the very case ; this is the only case where I made up a wrapper.

Q. This is the only case where you have made up a wrapper ?—A. Yes, sir ; except in one or two instances for green clerks just come in.

By the CHAIRMAN :

Q. At what time did you make up that wrapper ?—A. The date is shown there.

Q. Did you make it at that time ?—A. I suppose I did.

Q. Don't you know whether you did or not ?—A. No, sir ; I do not.

Q. Are you in the habit of ever making it at different date from the date you put down ?—A. That is Mr O'Brien's.

Q. At what time did you make that wrapper up ?—A. I cannot tell whether it was made the next day or two or three days after.

Q. Or a month ?—A. It was not a month ; this case was reported on the 14th of the month as being held for the decision of the Attorney-General as to whether we could impose fines in such a case.

Q. I see a memorandum of it, June 4.—A. That is a mistake ; it was the 14th. It was held for the opinion of the Attorney-General, whether a service for a certain quarter having been reported once without deductions, we could go back and deduct. This case was made up by Major Sickles, then in charge of the division, without the evidence from one end of the route, and it subsequently appeared that service had not been properly performed.

By Mr. AINSWORTH :

Q. I thought that was never permitted, to make up service without evidence from both ends of the route.—A. It is not now, but it was formerly.

Q. When was this ?—A. It was in 1875.

Q. When was the rule changed?—A. About 1874.

Q. And at that time, in 1875, it was made up without evidence from one end of the route?—A. No, sir; it was not.

Q. Then, why submit it for a legal opinion as to whether it could be done after having been certified without evidence from but one end of the route?—A. This case was held up with other cases in which Mr. Kittle and Peterson both were interested. These cases were all held up because they were in controversy.

Q. Was that a case in 1870?—A. No, sir.

Q. And the rule was changed in 1870?—A. In 1874, I believe.

Q. When did this case arise?—A. In 1875.

Q. And that was where a certificate had been made upon evidence from only one end of the route, contrary to the rule?—A. No, sir; it was not.

Q. When was the rule established?—A. In 1874, I believe.

By Mr. CANNON:

Q. Why were those cases held up for the opinion of the Attorney-General?—A. These cases were held, I don't know that this particular case was, but it was held up with other cases; it was not a question of disregarding that rule.

Q. Did you not state that it having been certified only from one end of the route, you held it up to get the opinion of the Attorney-General as to whether that could be allowed; was not that your statement?—A. No, sir; I don't think it was.

Q. What was your statement?—A. I said that my opinion was that this case was held with other cases, among which was one of W. D. Kittle's, in Texas.

Q. I did not ask about that Kittle matter; I ask why this was held up.—A. My memorandum there shows why it was held up.

Q. Will you state the reason?—A. The reason, so far as I know, was to get the opinion of the Attorney-General as to the extent that we might impose a fine, or how far we might go back.

Q. Had it anything to do with the question of whether a certificate from one end of the route was sufficient to warrant payment or not?—A. No, sir; I do not understand that it had.

Q. Was there a certificate from both ends of the route in this case?—A. I think there was. That is my impression.

Q. Then, the answer that you gave a short time ago, that it was held up to ascertain whether a certificate from one end of the route was sufficient, was a mistake, was it not?—A. If I said that, it was entirely a mistake. I don't think I said it.

Q. Because, since 1870 or 1871, when the new rule was established, you have never certified upon a return from one end of the route, have you?—A. I cannot say that.

Q. Well, the rule prohibits you doing it, does it not?—A. Yes, sir.

Q. Have you been ordered to do it since that time?—A. I may have been in two or three instances; not more.

Q. Have you done it?—A. I cannot say that I have not, nor that I have. I don't recall any case in which I have.

Q. You state that you have been ordered?—A. I say that I never would do it on my discretion.

Q. Have you been ordered to do it?—A. I don't know whether I have or not. My impression is that I have in one or two cases, where the contractor's settlement was much delayed, and the evidence was very conclusive that it was the result of neglect on the part of postmasters in reporting the service.

Q. When ordered, did you do it?—A. Yes, sir.

Q. How were you thus ordered, by writing or verbally?—A. I had verbal orders. I have never yet seen a written order from a superior in the Post-Office Department.

By the CHAIRMAN:

Q. Did you ever, as chief of the division, give any verbal orders to the clerks of the different sections where they declined to make fines or forfeitures or deductions, to make the forfeiture or to make the remission, as the case might be?—A. Under what circumstances?

Q. Under any circumstances.—A. I give instructions to clerks every day in the year.

Q. Answer the question in regard to that.—A. Put it again, if you please, so that I will understand what I am saying.

Q. Did you ever, as chief of the division, give any verbal orders to the clerks of the different sections, where they declined to make fines or forfeitures or deductions, to make the forfeiture or the remission, as the case might be?—A. I never have known a case where a clerk has declined to do anything of the kind. There has never been any controversy, to my knowledge, on a subject of that kind.

Q. There has never been any controversy?—A. No, sir; there never has been a difference of opinion, where they declined to make any deductions where I thought they ought to be made.

Q. I understand, then, that you have never given any such instructions to clerks in such a case?—A. Cases wherein they have declined to make deductions and I have ordered them to do it—I don't remember any case of the kind.

Q. When papers have gone to them, have you ever given them any instructions to make a remittance?—A. No, sir; the papers go to them originally. They do not come to me first.

Q. Well, how have you given them?—A. They will come to consult me every day, as to what they will do in certain cases, or whether or not to regard certain evidence as sufficient.

Q. Have you ever in cases of forfeiture regarded the evidence of storms or high waters as sufficient to instruct them not to make the forfeiture?—A. No forfeiture at all?

Q. Yes.—A. No, sir.

Q. What kind of forfeiture is made in such case?—A. If it is sufficient excuse, it saves the contractor from a penalty.

Q. Then, you have always instructed them to make certain forfeitures?—A. Yes, sir; that is the rule of the Department for the last five or six years.

Q. You have never given any clerk, in any section of your division, instructions to do less than make a single forfeiture?—A. O, no, sir.

Q. And wherever a case of that kind does occur, and the clerk declines to make a forfeiture, you always put it on when it comes to you?—A. I don't remember any case where a clerk has declined. If he has failed to do it, it has been done either by carelessness or willful neglect.

Q. When the papers are made up in your office, as chief of the division, they pass from you, after being certified with a jacket, to the Auditor?—A. I do not certify them myself. The certificate accompanies the case in case there is a forfeiture. It comes with the case, and I compare them to see that they agree—the certificate and the jacket.

Q. How are they reported to the Auditor from your office? I notice on the back, "Reported to Auditor."—A. Yes, that is reported in a manuscript report.

Q. Who makes that memorandum, "Reported to Auditor"?—A. The report clerk, once a week.

Q. That is, a clerk disconnected with your division, or with the Auditor's Office?—A. No, sir; he is in my division, but he is not a corresponding clerk, such as O'Brien was.

Q. When you make out this case you give it to this clerk, and he makes this memorandum, "Reported to Auditor;" what becomes of it then?—A. It goes back to the clerk with whom it originated, the clerk who made up the case, and is filed there.

Q. I notice, "Deduct for seventeen full trips not performed, at double price per trip, \$1,568," signed "French;" how does that occur?—A. It occurs by the fact that he was Acting Second Assistant Postmaster-General at the time.

Q. These are all signed by the Second Assistant Postmaster-General, then, before they go to the Auditor?—A. Yes, sir.

Q. Then, these papers are taken from your division for the Second Assistant Postmaster-General to sign?—A. Yes, sir; they are taken up by myself to him, and they are not returned to me again; they are returned by the messenger to the report clerk. I take them myself to the Second Assistant, or send them occasionally by a clerk.

Q. I notice that in these other cases there is another entry of that kind, "Deduct \$576.96."—A. Those were not reported to the Auditor at all when made up. Those are made up to show what should have been done.

Q. When were those made up?—A. Some time last summer; about last June.

Q. Why have not these been reported?—A. Because final settlement had been made, and there was no contractor by that name in the service at that time.

Q. Then what business has this entry on this paper for \$596.96?—A. That was made up by myself, under the direction of Mr. Tyner, to show what amount of deductions should have been made.

Q. Is not this man still a contractor in the Department?—A. That company is a contractor, but I believe Mr. Nesbit was the contractor then, and he is not an officer of that company now.

Q. Well, the same company is a contractor now?—A. Yes, sir.

Q. Why were not these fines and deductions reported through the regular channels and collected from this party?—A. I cannot answer that.

Q. What instructions did you receive about it?—A. None whatever.

Q. I understood you to say that you received instructions from Mr. Tyner to make them up.—A. Yes; for the purpose of showing what amount of fines and deductions had been omitted by O'Brien. But these only show in part. If they were all found, they are supposed to aggregate about \$5,000.

Q. This is not a record of the Department, then?—A. No, sir; that is not a part of the record of the Department.

Q. It is just a private record made by you and Mr. Tyner?—A. Made by myself, or under my supervision, by direction of Mr. Tyner. I called his attention to the fact that I had found those registers. I told him that I thought there was something wrong about that service, from what Sweetser had said, and I went and found the registers and showed them to him, and showed him that there was something wrong; that there were numerous failures that never had been acted on; that he had reported service clear without any deductions, whereas they should have been made; Mr. Tyner wanted to know how much it would be, and I think he directed specifically that I should make up the cases so as to show how much they would be. But we did not find more than half the registers.

By Mr. AINSWORTH :

Q. What prevented your finding the balance ?—A. The condition of the files in the Department. These registers are not kept.

Q. From what data, then, do you conclude that you found only half ?—A. From the fact that only about half of the registers were found.

Q. What means have you of arriving at the fact that O'Brien made deductions, or omitted to report deductions, on those other quarters ?—A. That is an assumption that it is usual for the Ohio River to freeze over at Evansville in winter.

Q. Do you base your additional charge of defections on O'Brien on the ground that the Ohio River freezes over in winter ?—A. Yes, sir, I do ; and the fact that—

Q. And that, consequently, O'Brien was guilty of malfeasance on account of the Ohio freezing over ?—A. I base it on the fact that it is shown—

Q. Answer my question.—A. I cannot answer the question in a general way in that way ; I will answer it specifically.

Q. Did you not state that you charged that you had only found half the defections of O'Brien upon the general ground that the Ohio River usually freezes over in winter ?—A. I base it on the—

Q. Answer my question. Did you not state that ?—A. No ; I did not state any such thing.

By the CHAIRMAN :

Q. Whose handwriting is that, "Deduct \$576.96 ?"—A. That is Mr. Johnson's.

Q. Whose handwriting is that one ?—A. That is the same handwriting.

Q. Are these all the same ?—A. No, sir ; that is my own. They are all Mr. Johnson's except that one.

Q. How did you happen to write that one and he write the others ?—A. I directed him to make them up, and I don't remember the circumstance how I came to make that up myself.

Q. At what time was that written there by yourself—"deduct \$144.24 ?"—A. About, I think, some time in the summer. I don't know what time exactly now—June or July.

Q. After you made up these papers, were they taken to the Second Assistant Postmaster-General for his inspection ?—A. Yes, sir ; he wanted to get an idea as to what amount should have been imposed.

Q. What did he want with that ?—A. You will have to ask him about that.

Q. Didn't he tell you what he wanted with it ?—A. No, sir ; I don't think he did, specifically.

Q. He did not tell you what he wanted with it ?—A. We were talking about the thing, and I told him that it would aggregate, perhaps, three or four thousand dollars, and he wanted to get an idea.

Q. You were talking about the "thing." What were you saying about it ; what were the connections ?—A. O, I cannot tell you.

Q. Why were you talking about it ?—A. Because it was an unusual circumstance for a clerk to certify service for two or three years.

Q. Were you investigating O'Brien's character as a clerk ?—A. We certainly were. It was based upon that first case where he made the remission without any evidence. We knew he was very intimate with the man.

Q. What instructions did Mr. Tyner give—what did he tell you that he wanted to do with it ?—A. He did not tell me anything in particular. He said he wanted to get at the facts.

Q. He did not tell you what he wanted with the facts ?—A. No, sir. It is his business to see that the clerks do their duty, and I think he tries to do it. He wanted to know, I suppose, whether O'Brien had omitted to make forfeitures of \$200, or \$2,000. That is about the point.

Q. What was considered wrong on O'Brien's part in this case where there was a deduction of \$496.40 ?—A. Nothing wrong about that at all. That was right. It was the remission of the deduction that was wrong.

Q. What was there wrong about the remission ?—A. The wrong was that he had no evidence of any cause for remission, so far as we have been able to discover since.

Q. Who are remissions made by ?—A. By the same authority that makes the deductions.

Q. Who are they ?—A. The Second Assistant Postmaster-General has charge of that. Of course everything that is done is supposed to be done by the Postmaster-General. These orders are signed with the initials of the Second Assistant, and then they go on the journal, and signed by the Postmaster-General himself.

Q. Was it the habit of the clerks in that division at that time to make remissions and send them to be signed, to go through you to the Second Assistant Postmaster-General to be signed ?—A. Yes, sir ; it was then, and has been all through the history of the Department.

Q. This went through you, then ?—A. No, sir ; it did not.

Q. Whom did it go through ?—A. It did not go through anybody but Mr. French. I was away on leave of absence. Mr. French was acting as Second Assistant Postmaster-General ; there was nobody to examine and see that it was correct. At that time, in my absence, they went direct to the Second Assistant, or to the acting Second Assistant, as the case may be, and he signed it, and it came back to the report-clerk.

Q. You think if you had been there you would have discovered that error?—A. I think I would. I do not think it would have come up at all if I had been there.

Q. You do not think it would have got by you?—A. I do not think it would have come up at all.

By Mr. SLEMONS:

Q. Is your office vacated in your absence?—A. It was generally at that time.

Q. Is that generally the case?—A. No, sir; it has not been for the last two years.

Q. It is not generally the case that an office is vacated by the chief of the division being absent, is it?—A. These duties are usually performed by the chief clerk to the Second Assistant. For instance, I am absent and the Second Assistant and his chief clerk are there; the chief clerk examines the papers that should have come to me; but at that time he was acting as Second Assistant, and they did not have anybody acting as chief clerk, and he signed these papers without any examination, I suppose.

Q. Then it is not a common occurrence for your office to be vacant when you are away?—A. No, sir; it is not the case at all now.

By Mr. AINSWORTH:

Q. It is not usual to give leave of absence where it leaves an office closed?—A. It is usual for the clerks to get thirty days' leave annually when they can.

By the CHAIRMAN:

Q. I see a letter among these papers signed by J. L. French, as Acting Assistant Postmaster-General, stating that "an order has been made this day remitting \$496.40, the amount deducted from the pay of the contractor on route 9603 for failures alleged to have occurred in January and February, 1873." That refers to this failure?—A. Yes, sir; that is the notification that should have been made to the contractor, but he made it to Mr. Sweetser at that time.

Q. That purports to be a copy; where is the original of this letter?—A. It is in the Post-Office Department.

Q. Why was a copy made of that?—A. You will have to ask Mr. Tyner about that. In examining the case he had a copy made of that letter for his own satisfaction.

Q. Are there any other copies of papers in that list except that letter?—A. This letter does not have any reference to these papers. The clerk in gathering up these papers this morning put in this letter with them. This is Mr. Tyner's private paper, his copy. It is not filed with the Department; he had that copy made for his own purpose, and you will have to ask him what his purpose was; I do not know.

Q. I suppose that is a copy of the letter?—A. Mr. Tyner is not here now, and in gathering up the papers this letter got among them.

Q. That is sent here, I suppose, as a certified copy of an original letter?—A. No, sir; it is not, at all. It is not sent here; it was gathered up in a hurry by the clerk this morning. I have not been to the office for a couple of days, on account of sickness in my family, and the clerk gathered the papers up this morning for me. Mr. Tyner had that when he was investigating O'Brien's case.

By Mr. AINSWORTH:

Q. Didn't you say it was a copy made by Mr. Tyner?—A. I say I suppose that it is a copy. As to whether it is a verbatim copy, I do not know. If I have stated it was a copy, I mean that I suppose it was a copy, but I do not know whether it is a verbatim copy.

By the CHAIRMAN:

Q. Did you ever see the original of this letter?—A. No, sir; I never saw it. That letter as written in my absence. I do not know that this is a copy; but I think it is.

Q. What is that indorsement, "B," on the back of that letter?—A. It is a part of the papers, I suppose, in the case.

Q. Well, it is indorsed in a different color from your writing; what is the cause of that?—A. I know no more about that than you do.

Q. You spoke this morning of your writing with a certain colored pencil?—A. That is not my writing.

Q. What does it mean on this letter, "Return case to Mr. French?"—A. I do not know.

Q. Do you know whose handwriting that is?—A. Yes, sir.

Q. Whose is it?—A. I think it is Mr. Tyner's. I did not see him write it, but I think it is his writing.

Mr. CANNON. I object to this copy being used for the reason that I want the original press-copy, which I am satisfied will show that it was written by Mr. O'Brien himself.

Q. That indorsement was written by Mr. Tyner?—A. I think it was.

Q. Please read it.

Mr. CANNON. I object to that on the ground that it has nothing to do with the case, but is a private paper of Mr. Tyner's.

The CHAIRMAN. It was sent here.

The WITNESS. It was not.

Q. How did it get here?—A. I brought it here by mistake in gathering up the papers in a hurry.

Q. Who told you to bring these papers here?—A. Mr. Cannon wanted me to bring certain papers in connection with this case.

Q. He told you what papers to bring?—A. Yes, sir.

Q. And you brought that?—A. He did not tell me to bring that.

By Mr. AINSWORTH :

Q. When did you have the conference with Mr. Cannon as to what to bring?—A. I have known him for several years.

Q. When did you have this talk with him as to what you should bring here?—A. He telegraphed yesterday.

Q. Did he tell you not to bring this?—A. No, sir.

Q. You brought this in response to his telegram, didn't you?—A. I didn't bring that in response to anything.

Q. Didn't you bring it?—A. I brought it; but, as I told you before, I brought it without knowing that it had any reference to this case. That is a copy, and it would be very damaging to O'Brien to have the original.

Q. It is not damaging to Mr. French?—A. No, sir; I do not see that it damages Mr. French at all.

By the CHAIRMAN :

Q. You think Mr. French did not sign the original of this letter?—A. I did not say anything of the kind, that I know of.

Q. Well, you have stated that you thought the letter was very damaging to O'Brien. How do you know that?—A. I say that in connection with this case. What I mean is the fact of his addressing Sweetser in violation of his instructions. He is instructed to address the contractor. Mr. Sweetser was not an officer of that company with whom the Department corresponded; yet, being a friend of Mr. O'Brien's, the letter was addressed to him.

Q. How do you know that Mr. O'Brien addressed him?—A. If this is a copy, I cannot say that it is a correct copy.

Q. Well, suppose it is a correct copy, how do you know that Mr. O'Brien addressed Mr. Sweetser?—A. The letter-book will show it.

Q. You never saw the original, you say; what, then, do you mean by your statement?—A. I think I have seen the press-copy.

By Mr. AINSWORTH:

Q. Didn't you swear that you never saw it?—A. Yes, sir; I never saw the original letter.

Q. What does the press-copy show in connection with Mr. O'Brien?

Mr. CANNON. I object. The press-copy is the best evidence of what it shows.

(Objection overruled.)

A. It shows that he addressed Mr. Sweetser, whereas he should have addressed the contractor.

Q. Is the press-copy signed by Mr. O'Brien?—A. No, sir.

Q. Is it not signed by Mr. French?—A. I presume it is.

Q. You saw it, didn't you?—A. I should think I saw it.

Q. Was the press-copy signed by Mr. French or Mr. O'Brien?—A. Mr. O'Brien does not sign anything.

Q. To whom was the press-copy addressed?—A. I am confident it was addressed to Mr. Sweetser.

Q. By whom was it signed?—A. By either Mr. French or Mr. Routt or Mr. Tyner.

Q. What positions did Mr. French, Mr. Tyner, and Mr. Routt then hold in the Post-Office Department?—A. Mr. Tyner did not hold any position at that time in the Department.

Q. Then why do you think it was signed by Mr. Tyner, or Mr. French, or Mr. Routt?—A. It was a mistake of mine when I said Mr. Tyner.

Q. What positions did Mr. French and Mr. Routt then hold in the Post-Office Department?—A. Mr. Routt was Second Assistant Postmaster-General. Mr. French was chief clerk to the Second Assistant.

Q. To whom should they have addressed communications?—A. To the contractor, Mr. Nesbitt, I think.

Q. To whom was the communication addressed?—A. Mr. Sweetser.

Q. Is this a copy of the press-copy which you saw?—A. I think it is a copy. Whether it is a verbatim copy, such as could be certified to, I do not know.

Q. Is that press-copy a part of the records in the Post-Office Department?—A. Yes, sir.

By the CHAIRMAN :

Q. I see another letter, addressed to a gentleman named Meigs, signed by Mr. French; that I would like to have you explain.—A. Mr. French wrote that.

Q. Do you understand it?—A. I can only say what I think it means.

Q. Who is the man that it is directed to?—A. He is a corresponding clerk in the inspection division.

Q. What section?—A. Virginia, West Virginia, and North Carolina.

Q. That being among these papers, would it refer to these accompanying papers?—A. I will tell you what I think it means. These papers were taken out for examination when Mr. O'Brien's case was under investigation, and they were sent back by Mr. French to Mr. Meigs to be put in their proper place in the file.

Q. Did they belong in Mr. Meigs's section?—A. No, sir; Mr. Meigs is in tharoom; he is an old clerk, and perhaps the gentleman who had charge of that section was absent. I do not know anything further than that.

Q. He was to put these papers in their proper place, and destroy memoranda that he left in their places. The memoranda, I suppose, were receipts showing that he had taken them out?—A. Yes, sir.

Q. Are these all the papers that are filed in the Department?—A. I presume they are. If there are any papers missing, I do not know about it.

Q. Were these papers filed all together?—A. There are some papers there that have grown out of the investigation of the case.

Q. But are they filed all together wherever they are kept?—A. The papers that belong to this case are all kept in this jacket.

Q. I notice an indorsement on the jacket here, first in red-ink, then an indorsement in black ink: "Remit \$496.40, the amount deducted from the pay of contractor on route 9603, May 3, 1872," signed French. That is when the amount was deducted, I suppose, May 3, 1872.—A. That is the date the deduction was made, May 3, 1872, and the date of remission October 9 1873.

Q. This deduction, \$5,865.68, on this route from Vicksburgh to White River, was reported to the Auditor and deducted from Peterson's pay?—A. Yes, sir.

Q. This occurred May 13, 1875, and it was reported to the Auditor June 4, 1875; do you know anything about any other fines or remissions on Peterson's contracts?—A. I cannot recall any special case, but there have been frequent fines and deductions in the course of his contract-term of four years.

Q. And remissions?—A. I cannot say as to the remissions; there may have been some; perhaps there were.

Q. Don't you think that generally, up to that time, the large fines against Peterson were remitted?—A. No, sir; I do not think so.

Q. Do you know anything about the fines that were entered up against Kittle?—A. I have a general knowledge.

Q. Were those fines remitted?—A. No, sir; not the ones I think of. My attention was drawn to deductions against his pay last year about the same time that these were under consideration. It was developed that he had not performed the amount of service that had been certified by postmasters.

Q. How far back did that reach?—A. I think on one route it may have reached more than a year; it was discovered after two or three quarters had been settled.

Q. Do you remember the amount of the fine?—A. No; I don't remember the amount.

Q. Do you remember whether it was a large or small amount?—A. Well, it would be considered large; it was a forfeiture.

Q. The fines that went up would go through you?—A. Yes, sir; if I were present at the time. There were certain deductions, however, in Kittle's case that did not go through me.

Q. How did that occur?—A. I cannot explain that. It was under the supervision of the special agent, Mr. Hopkins, and they were made up regardless of my supervision. It was at a time when they were investigating, and it was done under the general supervision, I suppose, of the chief of the special agents. He was investigating the matter.

Q. Do you know what those fines were?—A. No, sir; I do not know what the amounts were.

Q. Is there evidence of those fines in your division?—A. Yes, sir; the complete evidence is there.

Q. Were those fines remitted, or any portion of them?—A. No, sir; not to my knowledge.

By Mr. AINSWORTH:

Q. It would have had to be done through you, would it not?—A. That would have been the regular course.

Q. You have no knowledge of any ever having been remitted?—A. Ever? I cannot say that.

Q. Since you have been there; I mean in Kittle's cases.—A. I have no recollection of it.

By Mr. SLEMONS:

Q. What was the reason of disregarding the regular channel through which these matters should go?—A. I cannot tell.

Q. It was just arbitrary, was it?—A. Yes; the cases were made up by O'Brien along with Hopkins. Mr. Hopkins was sent there with the papers to make up reports after he had investigated, and he and Mr. O'Brien worked at the cases and made them up, and they went down to Mr. Tyner or Mr. French, I think Mr. Tyner, and they were signed without coming to me, having been made up by them.

By the CHAIRMAN :

Q. Did the fines that they made up amount to more than those that had been made up under your supervision?—A. That I cannot tell.

Q. What fines had you made up under your supervision?—A. I had not made up any in this special case at all. There may have been fines in the regular course of business not large enough to excite special attention. These special ones that excited special attention were where Kittle was investigated and found to have performed less service than had been reported.

By Mr. SLEMONS :

Q. Was that the reason that it passed around your office, because it was a special commission to investigate this matter?—A. Mr. Hopkins was appointed specially to investigate this matter.

Q. That is the reason that it went around your office?—A. Yes, sir; I suppose so. I do not know but Kittle requested it. I never inquired. Mr. Kittle had complained that I was an enemy of his, I believe.

Q. Do you think that was the reason that this special commission was appointed—because you were an enemy of his?—A. I do not know.

Q. You have no reason to believe that?—A. No more than that he had complained to the Second Assistant that he thought I would not do him justice.

Q. It is not usual to do such things, is it?—A. No, sir. This is the only case that I have known of since I have had charge of the division.

Q. You do not know, of your own knowledge, what they did in the matter?—A. O, I saw the papers afterward, but I could not tell you much about them now, because I did not give them a careful inspection.

Q. What is the check upon a clerk, such as O'Brien was, for instance, against his wrongfully remitting a fine?—A. That is one of the things that we have not a special check on.

Q. Are you not put there as chief of the division as a check for that purpose?—A. Yes, sir; but the reports from the postmasters in that section go to O'Brien. They do not come to me and be examined and then go to O'Brien, so that I may know whether he has made them up correctly or not. That trust is reposed in him. He brings up a certificate and says: "Here are ten routes on that certificate; all fines and deductions have been reported, there are no fines, and the presumption is that that there are no failures." That rests with him. There is nobody to go back and see whether he has reported truthfully or not. That is a trust that is reposed in all these corresponding clerks. They are clerks of the third grade, and supposed to be gentlemen.

Q. He does not send up a certificate along with his award?—A. He sends the certificate along with the case. These reports from postmasters only come to me in cases where there are fines. They are then inclosed in the case. There is a case for the quarter ending 31st of March, 1873. He causes that contractor to forfeit \$10 for certain failures in January, and he inclosed the registers showing these failures; but the registers for February and March are not inclosed. Now, if there are failures in February and March, and he designs to wrong the Department, there is no check.

By the CHAIRMAN :

Q. I asked you about the remission of fines already imposed.—A. Then all the papers are inclosed in the case.

Q. Then what is the check?—A. The check is that I examine them myself.

Q. You think, then, it would be impossible for one of your clerks to impose upon you in the remission of a fine?—A. I am the principal check.

Q. In your absence where would the check be?—A. In all cases where they are important I suppose Mr. Tyner examines them himself. I know he does.

Q. In your absence, where there was no substitute, where would be the check?—A. There was no check, then, except Mr. French, who was chief clerk, and if he was acting as Second Assistant Postmaster-General he could not have had an acting chief clerk. He sometimes acts as Second Assistant without an acting chief clerk, and sometimes he has one.

Q. In your absence, at that time, the chief clerk of the Second Assistant Postmaster-General would be the party that would make the examination?—A. Yes, sir.

Q. Mr. French knew you were absent?—A. Yes, sir.

Q. He knew, then, there was nobody to examine that report except himself, after it left Mr. O'Brien?—A. Yes, sir; he knew there was nobody acting in my stead as chief of the division.

Q. It is impossible, then, for a fine to be remitted by any clerk in any division under your control without the consent of the Second Assistant Postmaster-General?—A. Yes, sir. I do not mean to say that he examines all those cases. They pass me and are taken to him in his office by me, but he signs a great many of those cases without inspection, and the responsibility is on me.

Q. You say Mr. Tyner signs them frequently after they pass you?—A. I think he does. I know he does in some instances, when he satisfies himself that they are right.

Q. Do you know of any other cases where fines have been remitted under circumstances

similar to that O'Brien case? Do you know, for instance, of a fine having been remitted by Mr. French in your absence?—A. I do not recall any, but I presume there were quite a number. I was absent thirty days, and in two years at least during my term as principal clerk of the division, without any substitute being in my place.

Q. Do you know of any such case occurring in the Peterson contracts, that was in your absence?—A. No, sir.

Q. Did you ever get any verbal order from Mr. French as chief clerk, or as the Second Assistant Postmaster-General, to make remissions in any special case?—A. No, sir; that is not the custom of the office.

Q. Did any order ever come through you to any clerk of a section under you in your division?—A. Orders have come in this way for me to examine these cases, on an application for remission, and report to them my opinion.

Q. But you never got an order telling you, or intimating to you, that the fine ought to be remitted?—A. No, sir; that is not the custom of the office.

Q. Was Mr. Sickles, now in the contract office, a clerk in your division?—A. He was.

Q. I understood him to testify that he had received a verbal order or a written memorandum from Mr. French in such a case.—A. There have been cases of remissions made without coming to me.

Q. This was in a case where he thought he ought not to do it, and he received a verbal instruction from Mr. French, or some one above him?—A. Yes; there were some cases of that kind.

Q. Would that come through you?—A. No, sir; it would go to Mr. Sickles.

Q. Would you have any knowledge of that?—A. If Mr. Sickles was directed to make up a remission, the course would be for him to take it direct to the authority that he received it from. Otherwise he would send it to me.

Q. What would be the object in going by you in that way?—A. I do not know. That is not the custom of the office; but there have been two or three cases of that kind.

Q. I do not know that it did go by you, but he testified that he received instructions to that effect.—A. I cannot say whether he has made up a remission of the case without my knowledge. He may have done so.

Q. Do you know of any instance of remission of fines in cases where Sawyer was the contractor?—A. Yes, sir; I have a recollection of one, at least. I cannot tell you the route; it was a route in Texas.

Q. Was there anything peculiar about the circumstances of that remission that makes you remember it?—A. It was a remission of several thousand dollars—two, three, or four, perhaps. Severe storms, what they call simooms down there, were the alleged causes. I think the route was from Indianola to Corpus Christi.

Q. Do you remember how many times a week the mails were to be carried on that route?—A. I do not.

Q. Were they to be carried by steamship or schooner?—That route from Indianola to Corpus Christi is a steamship or schooner route—water service.

Q. Do you remember the distance?—A. No, sir; I do not.

Q. Then you do not remember the amount of pay per annum?—A. I do not; nor am I at all certain that that was the route on which the deduction occurred.

Q. Why does your memory go back to that route?—A. Because it was going around me, and anything of that kind attracts my attention. He made his appeal to the Postmaster-General, and the Postmaster-General called for the case; the call was not made to me, and the remission was made without going through me.

Q. Had you decided not to make the remission, or had you declined?—A. It had not been before me for consideration.

Q. Who was the section clerk?—A. Mr. Sickles, I believe, or Mr. O'Brien. I do not know which. O'Brien succeeded Sickles; it was about the time of the change. It was a short time before Mr. Jewell took charge of the Department.

By Mr. SLEMONS:

Q. Was there any trouble between you and Mr. Sawyer, that it went around you in that case?—A. No, sir; there was no trouble between myself and any contractor, that I know of, of any character.

Q. You spoke of the Kittle matter, and said that you and he were not on good terms?—A. O, well, we were not on any terms. He got the impression, I suppose, that I did not like him. I never spoke to the gentleman twenty times.

Q. Do you think Mr. Sawyer had the same impression?—A. I do not know that he had. He always spoke very pleasantly. I never had any conversation with him except in a business way, when he would come in to get information as to his settlements and the prospect of getting an early settlement.

Q. It is an unusual thing for them to go around your office?—A. It is a very unusual occurrence.

By the CHAIRMAN:

Q. In regard to this route from Indianola to Corpus Christi, (8512 I believe was the number,) you remembered that route, you say, because they went around you?—A. Yes, sir.

Q. What did you learn about that route in your investigation as chief of the division?

A. It was a deduction made pro rata for failures. It is in the discretion of the Postmaster General to remit those. That remission was made without coming to me.

Q. The deduction had passed through you?—A. Yes, sir.

Q. And the remission was made by the Second Assistant Postmaster-General without coming back to you?—A. It was made on the order of the Postmaster-General.

Q. But the Second Assistant could have done it, I suppose?—A. He could have done it, but I think Mr. French was then acting. I do not know whether it was Mr. French or Mr. Routt. I am inclined to think it was Mr. Routt.

Q. Do you think it is likely that the order of the Postmaster-General in the case of the remission of a fine of this contractor Sawyer, was written by the clerk of the section that it properly belonged to, or was it written by the Postmaster-General?—A. I do not understand your question.

Q. In this case of Mr. O'Brien's, it is stated that Mr. O'Brien wrote the letter and Mr. French signed it. Now, in this case of remission on Mr. Sawyer's contract, on the coast of Texas, would the clerk write the letter?—A. There would not be any letter at all.

Q. I mean the order?—A. Yes, sir; they always do it.

Q. And the Second Assistant or Postmaster-General sign it?—A. Yes, sir.

Q. Then there is nothing peculiar about that?—A. No, sir; there was not anything peculiar about the other, I suppose, only if there is any remission made, it is unusual without coming through me, and I would be more likely to remember it than I would routine business.

Q. Have you any reason that is satisfactory to yourself why you were passed by in that Sawyer case?—A. No, sir; I have no knowledge or suspicions at all.

Q. But you thought it was singular?—A. No, sir; I did not think it was singular.

Q. I understood you to say that you thought it was singular, and for that reason you remembered it?—A. No, sir; I do not think I said singular. It was an exception, and not the rule, and these exceptions I am most likely to remember where it is a large amount—two or three thousand dollars.

Q. Have you ever reviewed the work of the clerk in the western section, California and the Territories?—A. I reviewed the work in the same way that I reviewed that of others, in a general way. I do not go to his desk and overhaul all the papers to see if he has made up his cases all right. I have not the time for that.

Q. What do you find to be the condition of that section?—A. So far as the cases are made up it is in excellent condition. He is a very competent clerk.

Q. You have never found anything wrong there?—A. I have never found anything wrong in his section. If there is anything, I do not know anything about it. I regard him as a very competent clerk and have great confidence in him.

Q. Who is the clerk that has charge of them?—A. Mr. Gonzales is in charge of that section in my division. He had charge of it before I came into the Department. He has been there, I suppose, at least ten years.

Q. There have been no facts brought to your knowledge to induce you to make any special investigation in that direction?—A. No, sir.

Q. There had never been any complaints made to you about Mr. Gonzales in any way?—A. No, sir.

Q. I believe that, in answer to a question of Mr. Cannon's, you stated you were not much acquainted with contractors?—A. Well, I see a great many contractors every quarter, and have a casual acquaintance with them. Some I see every quarter in the year. I said, I believe, that I am not intimate with any of the contractors.

Q. You spoke of some contractor that you had not seen more than six times in your life; was that Peterson?—A. I think it was Kittle.

Q. Did you ever have any conversation with Mr. Sickles in regard to the contracts of Peterson?—A. I suppose I have had very frequent conversations in a business way.

Q. Did you ever have any conversations with him, however, in regard to Mr. Peterson's or Mr. Sawyer's contracts, stating that you believed that there was something wrong or rotten about those contracts, or about them as contractors?—A. No; I do not know that I have. I think, perhaps, I have spoken about their service on the Mississippi River, there being so much of it, and it being so complicated by the way they ran their trips, that we had great difficulty in identifying the trips, and could not tell how they perform it, but as to there being anything rotten, I do not know that we have ever had any such conversation.

Q. Can you form any estimate as to the amount of fines imposed on Peterson in the Mississippi service? Here is one fine of \$5,800 at one time; can you remember whether there was ever, at any time anterior to that, so large a fine imposed upon him?—A. I do not think there ever was.

Q. How large a fine do you think was imposed on him previous to that time?—A. I cannot answer that question.

Q. Before Mr. Jewell came in as Postmaster-General, was there any large fine imposed on Peterson for failure to perform service?—A. Nothing so large as that; nothing that called for any special remembrance of the case. There were fines for failures that would amount to considerable—several hundred dollars.

Q. Do you remember any instance previous to Mr. Jewell's administration as Postmaster-General where you were ordered, either verbally or otherwise, or an intimation was made to you from your superior officers, to remit fines on Peterson's contracts on the Mississippi River?—A. No, sir.

Q. You got no such intimations from Mr. French or the Second Assistant, or the Postmaster-General?—A. No, sir; I do not recall any.

Q. Then all the remissions that were made were made by you; that is, they were through you?—A. No; there were several remissions, I suppose, out of which investigation grew on Mr. Creswell's part, as that came through the head of the inspection division, Mr. Watkins, before I was there. I have had occasion to examine some of them since in making copies of cases for the Department investigations.

Q. Do you remember what those remissions were for and what route they were on?—A. The one that I remember specially was a route on the Ouchita River, I think, between New Orleans and Monroe, I believe.

Q. Was that the route that Mr. Sickles and you had a talk about?—A. No; we never had a talk about that, because my only connection with that was to furnish copies of papers.

Q. It was in Mr. Sickles's section?—A. Yes; he made up the fines and remissions, but I had nothing to do with it, because I was in another division.

Q. Can you remember any other case?—A. No, sir.

Q. Did you ever give any orders to your clerks to make out a certificate for the performance of service when the service had not been fully performed under the rules and regulations of the Department?—A. No, sir; that would be contrary to the rules and regulations.

Q. Have not cases come to your knowledge where your clerks have made out certificates when the evidence was not complete?—A. Yes, sir; the Department was not very strict prior to 1873. They frequently reported on the evidence of service from one end.

Q. Do you mean that prior to that time you knew of such cases frequently?—A. It was of quarterly occurrence. The rule of the office, prior to the time when Mr. Jewell came in, was to certify on the evidence from one end, provided the service had been performed and the Department had no knowledge of any dereliction on the part of the contractor, assuming that the service had been performed for one quarter, and then that the missing evidence must be supplied before the issue of a certificate for the next quarter.

Q. Have you ever known of cases where certificates have been passed when there had not sufficient time elapsed for the certificate to come from the postmasters to the Department?—A. O, we certified railroad-service in 1870, and the service of several contractors, before receiving the evidence for the last month.

By Mr. AINSWORTH:

Q. You misapprehend the question. It is, whether you ever knew certificates filed and approved when you knew there was no time for that to reach the Department?—A. No, sir; I have no knowledge of the kind. Such a fact has not been brought to my attention.

Q. Did you ever hear any other clerk in the Department speak of any case of that kind?—A. No, sir.

Q. Since 1873 these irregularities have not occurred?—A. No, sir; they have never occurred, to my knowledge. It is simply a change in the superintendency of the Department.

Q. Now you wait until the complete evidence is in from both ends of the route?—A. Not entirely complete. As I said this forenoon, we certify sometimes with one month's evidence out. For instance, we have three registers from one end and only two from the other, and if the service of that contractor is good, we do not hold it on that one month, because it is the negligence of our own agent.

Q. Was the same rule observed in your Department against all contractors in regard to the remission of fines?—A. Yes, sir; that was the rule.

Q. You did not remit a fine any quicker for a man that was about Washington, or a big contractor that would be here, than you would for a small contractor who was not here?—A. No, sir. So far as I am concerned, I believe I am free from any charge of that kind.

Q. Do you know whether that occurred with any one else in the Department?—A. I cannot charge anybody with anything of that kind. I do not know. Mr. Sawyer had that fine of \$4,000, or \$3,000, and he made his appeal to the Postmaster-General that it was an unprecedented storm; that they lost stock by it. I believe that was the ground of the appeal; and there have been other fines of less importance.

Q. Was that a fine that had come from one of your sections, through you, that he sought to have remitted?—A. I think it had.

Q. Who was Postmaster-General at that time?—A. Mr. Jewell. I would state, in justice, that there were other fines of perhaps greater magnitude that were not remitted. Mr. Jewell ordered that remission, and when the second appeal came up he absolutely declined, and has ever since declined. He was led to believe that it was a matter for his discretion.

Q. Previous to Mr. Jewell, do you remember any case?—A. I do not remember any case.

Q. Do you remember any case where the fine was made up and passed through you and was remitted afterward in the same way with this one?—A. No, sir.

Q. Can you tell the committee whether it was of frequent occurrence, your making fines against Mr. Sawyer and his service?—A. I think there would be some forfeitures nearly every quarter.

Q. You do not know anything about their remission?—A. I do not remember anything special about their remission, except on that one occasion on the coast. I know that there were great storms, and the contractors made very loud appeals for mercy, because of their losses.

Q. Can I revive your memory about that by asking if the remission that was made at the time that this storm occurred on the coast of Texas did not strike you as very large?—A. Well, it was on the same basis and at the same rate as it would be on a smaller contract.

Q. Was it double?—A. No, sir; only *pro rata*. The pay was large. They were long routes.

Q. You say that he represented that he had lost stock by that storm?—A. That is my impression, but I could not give you the history of the papers at all.

Q. What was lost on this steamship route; there was no stock on that?—A. I do not know. I do not know whether that large deduction was made on that route at all. He had several routes in that part of Texas; he had several land-routes and that one also.

Q. What knowledge have you of Barlow as a mail contractor?—A. I have known him for about five or six years as a contractor.

Q. Have there been many deductions or fines imposed on him during his service?—A. I think there have been a good many.

Q. Fines made and remitted?—A. No, sir. I do not know of any special remissions in his case that would not have been made in favor of any contractor under the same circumstances.

Q. I was not asking that question, whether they would be made in favor of any contractor.—A. I don't remember of any remissions that would call forth any special comment in favor of him—not a single one.

Q. Mr. Barlow, then, did not ask for remissions?—A. I do not know. He never asked for any from me and never troubled me.

Q. You say you are well acquainted with him?—A. I am acquainted with him.

Q. Did he attend to his business in the Department himself or by an attorney?—A. He attends to it himself.

Q. Did he have any one in Washington here to attend to his business at the Department?—A. There has never been any attorney, to my knowledge, representing Mr. Barlow.

Q. He came to the Department himself?—A. He is in the Department every quarter. He comes there to see about his settlement.

Q. Do you usually meet him when he comes there?—A. I see him every time.

Q. Your Department has nothing to do with that business except the mere making of the certificate so that he can get his pay?—A. That is all.

Q. Did he ever offer any clerk under you, to your knowledge, any inducement to expedite his pay?—A. No, sir; not to the amount of a farthing, or any influence whatever.

Q. What clerk had charge of the section of the country that most of his contracts were in?—A. Mr. Gonzales.

Q. Are Mr. Gonzales and he intimate friends?—A. I do not know anything about their intimacy. I have no reason to believe that they are intimate. I have never seen them together outside of the Department.

Q. Have you ever seen them together frequently in the Department?—A. No, sir; not frequently. It is not Mr. Barlow's habit to interfere with Mr. Gonzales. I do not think I have seen him in his room three times in his life.

Q. What is Mr. Barlow's habit; you seem to be acquainted with it?—A. Mr. Barlow's habit is to attend to his own business, I believe.

Q. I asked you because you seemed to be familiar with his habits.—A. Yes, sir; I am necessarily familiar, as I would be with you, if you come down there so often.

Q. I suppose Peterson and those other contractors did the same thing?—A. Yes, sir; every contractor is anxious to get his pay, and he is very likely to come to me to know whether the returns are in, so that they can be reported.

Q. I believe you answered that you did not know whether there had been any effort made to collect these fines that are summed up on the back of these papers you have produced here?—A. I do not know that there has been any at all.

Q. You know that they have never been certified to the Auditor?—A. I know that.

Q. You do not know any reason why that has never been done?—A. No, sir; I do not know whether the Department has power or not to make the deduction now.

Q. I think you have stated that you found errors frequently in the work of clerks of other sections, similar to that which you found in O'Brien's case?—A. Yes, sir; clerical errors. They are not frequent, but I have them, I suppose, every quarter.

By Mr. CANNON:

Q. When you were absent at the time O'Brien brought up this case for remission, were you absent on your regular yearly leave?—A. Yes, sir.

Q. Is it the habit in the Department to give each clerk thirty days' leave?—A. Yes, sir; at least thirty days in the year, if they desire it.

Q. I believe there is no such office, technically, as "head of division"?—A. No, sir; I am simply known as a fourth-class clerk, and have the same pay as any other fourth-class clerk.

Q. There are some other fourth-class clerks in that division?—A. No, sir; not in my division. There are in the contract division.

Q. You are assigned to duty as head of the division?—A. Yes, sir; I am assigned to that duty, and I have the same responsibility with other heads of divisions.

Q. The chairman has read to you what purports to be a copy of a letter signed by Mr. French, Acting Second Assistant Postmaster-General, and directed to H. M. Sweetser; that letter has the name "O'Brien" in the corner; now, if that should prove to be a true copy of the letter, what would that "O'Brien" signify?—A. That would indicate that Mr. O'Brien wrote the letter. The custom of the office is, for the clerk to put upon it either his name or his initials; usually his initials.

By the CHAIRMAN:

Q. You say, that if that should be a copy of the letter, that "O'Brien" would have that signification; if it should not be a copy, what would it mean?—A. I cannot answer that.

By Mr. CANNON:

Q. Does the Second Assistant Postmaster-General read all the letters that he signs?—A. O, no, sir.

Q. Would it be possible for him to do it and attend to his other duties?—A. No, sir. It might be possible for him to read the letters, but it would not be possible to examine the whole of the papers.

Q. Is it not true that in the practice of the office the business is done by the clerks, and that where the action of the Second Assistant Postmaster-General is required he gives the matter his official sanction, as a general thing, without examining into the merits of it?—A. Certainly; that is the rule in all the Departments.

By the CHAIRMAN:

Q. Does he give it his official sanction in that way when the chief clerk of the division is absent?—A. Since Mr. Tyner has been in the office it has been the custom to have somebody in my place when I am absent to examine the cases.

By Mr. CANNON:

Q. But where a man is in your place, or where you are present, and a case made up for remission comes to you which is fraudulent, there must be fraud not only on the part of the clerk who makes it up, (O'Brien, for instance, in this case,) but also on your part before it can get passed to the Second Assistant Postmaster-General?—A. There must be either fraud or a great dereliction of duty.

Q. Two persons would have to concur in the fraud in such a case?—A. Yes, sir.

Q. But in this case you were absent, and therefore it did not pass through you?—A. I was absent.

Q. Colonel Routt was Second Assistant Postmaster-General at the time?—A. Yes, sir.

Q. From the fact that this letter, of which we have what purports to be a copy, is signed by J. L. French, what would appear?—A. That Colonel Routt was absent at that time.

Q. You have spoken of other clerks besides O'Brien making errors either in the calculations or in their payment in the imposition of fines similar, to some extent, to those in this case made against Peterson, where you had to increase the fines over \$1,000; please state whether you know of other clerks, since the rule was changed in 1870, working up, quarter after quarter, seven quarters altogether, and certifying that the service had been performed as shown by the proofs when the proofs were the other way?—A. No, sir; there is no case of that kind.

Q. Have you ever known of any other clerk doing a thing of that kind, except Colonel O'Brien?—A. No, sir; not a single instance.

Q. Many of the registers for the quarters in this case have not been found, as I understand you?—A. Several of them have not been found. We did not pursue the search beyond those. It is possible that they might have been found, but we did not find them. We searched one day; these registers were found in a bundle as high as this table, just as if they had been tipped out of a cart, and we went rooting around among those bundles.

Q. You have in the Post-Office Department, I believe, no regular place in which to keep these registers after they have been used?—A. No, sir; they are sold for waste paper; they are tumbled down in the cellar in a heap, and sometimes they are to be found two years after they have been put there, and sometimes not so long. It is not the custom of the Department to preserve them, because we have not the room.

Q. But these which you have produced here are the registers that you did find on that route?—A. Yes, sir.

Q. And they are about half the registers covering the time in question?—A. I should judge they were about half; that was my impression at the time we were examining the case.

Q. Did you hear any talk (at the time you made the calculation on these different quarters) between Mr. Tyner and the Solicitor of the Post-Office Department, as to whether the Second Assistant Postmaster-General had the power, the case having been settled two or three years before, to charge up those fines and deductions against the contract-pay accruing for the then current quarter?—A. No, sir; I have never heard of any conversation of that kind.

By Mr. SLEMONS:

Q. How long are those papers kept on hand after the contractor is paid?—A. These "cases" are kept permanently. The registers that show perfect service are put up in a bundle, as I have stated, and put in the cellar; they are not in charge of anybody.

Q. And when perfect service is shown in that way, you never inquire whether the papers are right or wrong?—A. That is in the breast of the clerk who makes up the cases.

Q. And you never inquire further?—A. No; we would be obliged to have double the force to do that; another man to go over each clerk's work to see whether it was correct or not.

By Mr. AINSWORTH:

Q. You stated that in the cases revised by you you had never known any findings which were not warranted by the proof, except those reported by Dr. O'Brien; state why you revised them, if such was the fact?—A. I don't know that I exactly get the point you are after.

Q. You were asked, did you ever know of any case reported by Dr. O'Brien in which the finding was not warranted by the proof; to that question you answered no. Now I ask you why you revised those other cases; what did you revise in the work of the other clerks?—A. The principal cases of revision by me are cases of remission where the evidence is in the form of affidavits or certificates; they will come to me, and perhaps I will differ with the clerk as to the satisfactoriness of the proof.

Q. Then it is a difference in judgment?—A. Certainly.

Q. Did you ever know other clerks to certify full service when there was no service shown by the proofs on file?—A. Yes, sir; we have certified service when we had not full proof.

Q. Is not that the rule of the Department to-day?—A. No, sir; I stated that we had certified full service with one month's proofs out, in certain cases.

Q. That is the rule in the Department then?—A. That is the rule now. In making that statement, I believe I qualified it by saying that it was only done in cases where the previous service has been uniformly good.

Q. You were for a long time engaged in working up evidence to obtain the dismissal of Dr. O'Brien?—A. No, sir.

Q. Were you so engaged at all?—A. No, sir; unless you considered this in that light. When I was led to suspect that he had not done right in this case, I did search for the records to ascertain whether he did or not, and I would do it to-morrow.

Q. Since Dr. O'Brien testified before this committee, have you not been directed by Mr. Tyner to search and procure testimony to attack his character as a clerk?—A. No, sir; I don't remember any such instance.

Q. You have not searched the records to find anything regarding Dr. O'Brien?—A. No, sir; I don't remember any instance—

Q. Did you ever?—A. I searched these records very thoroughly.

Q. When?—A. I think it was in June last.

Q. Before or after his dismissal?—A. It was some time before; he was not dismissed until September.

Q. And you have had no conversation with Mr. Tyner since this investigation commenced?—A. I certainly have.

Q. Have you not collected and arranged the testimony to bring here to impeach Dr. O'Brien?—A. No, sir; not in the direct sense of that term.

Q. Well, in the indirect sense—state what you have done.—A. I don't know that I have done anything in particular. I made up these cases as I have stated here; if that is an impeachment of Dr. O'Brien, I have done this that will impeach him.

Q. That was done last June, was it not?—A. Yes, sir.

Q. And since that time you have done nothing regarding Dr. O'Brien?—A. No, sir.

Q. You had no conversation with Mr. Tyner regarding him?—A. O, I have had, perhaps, half a dozen or a dozen times, and with other persons. I suppose I have talked about the character of his testimony and the facts.

Q. Since Dr. O'Brien was examined here have not you stated to Mr. Cannon and others that you could show that he was unreliable?—A. I think I have stated to Mr. Cannon that his evidence would not agree with the records.

Q. And you have examined the records to see, have you not?—A. I certainly have in certain cases.

Q. And that has been done since his examination?—A. That affected my character, and it was very plausible that I should examine the record to see whether I was as bad as he represented, and I think the record does not bear him out.

Q. And that was your motive, to show that you were not as bad as he was?—A. My motive was to show that my conduct was right, and to that I can testify in all matters, barring errors that any human being may commit.

Q. When you were away were the acts of the subordinate clerks revised by anybody?—A. At that time they were not revised by any one acting in my capacity.

Q. But were they revised by the Second Assistant Postmaster-General?—A. That I cannot tell.

Q. It was his duty to examine them in your absence, was it not?—A. I leave that for you to say.

Q. What were his duties?—A. To exercise a general supervision of the office. Whether you would consider it his duty to examine all these papers or not, I am not prepared to say. I suppose what would have been his duty, and what should have been done, was to have put a man in my place.

Q. He was the party responsible for the action, was he not?—A. I suppose so.

By the CHAIRMAN:

Q. Have you examined the leave of absence given you at that time to see whether it shows that you were actually absent when these things occurred?—A. No, sir; I remember very distinctly that I left on the 17th of September, that year.

Q. Do you remember when you returned?—A. I returned in thirty days from that date.

By Mr. CANNON:

Q. Do you know of any other clerk than O'Brien in the inspection division at any time making a certificate of full service, when the proofs showed that the service was not full?—A. No, sir; I don't know of a single instance, nor have I heard of one.

By Mr. AINSWORTH:

Q. You have already stated that you never examined to see whether the others did it or not?—A. I have stated that I do not examine all the registers; it is an impossibility.

Q. Then you cannot say that the other clerks have not done that?—A. No, sir; I just answer that I don't know of a case. That is all I can answer.

Q. And you say also that you have never examined to see?—A. I have not.

Q. Dr. O'Brien is the only man whose official conduct you have felt called upon to examine in your position?—A. He is the only clerk that I have had occasion to suspect of doing wrong.

Q. Is not he the only one that you have ever examined to see whether he made certificates of full service when they were not true?—A. I don't know. I examine papers at clerks' desks nearly every day.

Q. You can answer my question?—A. It is so general that it will not present the fact that I desire to state, and I don't wish it to be misconstrued.

Q. Have you ever examined to see whether any other clerks have made certificates of full service when they were not true?—A. I have not investigated any other clerk.

By the CHAIRMAN:

Q. You have had no suspicion of any other clerk, and that is the reason you give why you have investigated only O'Brien?—A. That is it exactly.

WASHINGTON, May 24, 1876.

EDWARD F. O'BRIEN recalled and further examined.

By Mr. CANNON:

Question. You were examined on the 15th, 16th, and 17th of February before this committee?—A. I don't remember the dates.

Q. Please look at any article in the Washington Tribune of Tuesday, January 25, 1876, headed "Alleged Mail-Contract Frauds."—A. I have seen that before.

Q. Do you know who wrote the article?—A. Yes, sir.

Q. Who?—A. A man named Kittle.

Q. Where were you when it was written?—A. In my store at the corner of Seventh street and Rhode Island avenue.

Q. At whose dictation was it written?—A. Well, it was composed and written by Kittle himself.

Q. How did he happen to write it?—A. That is a question I cannot answer.

Q. What conversation did you have with him about it?—A. Well, I do not know that I can remember a very great deal of the conversation, only in relation to that piece that was in the Star; that was all, so far as I remember.

Q. Who took it to the office of the paper for publication?—A. I don't know.

Q. Please read the article.

The witness read as follows:

[Communicated.]

“THE ALLEGED MAIL-CONTRACT FRAUDS.—The cock-and-bull story sent from this city to the Baltimore Gazette, relative to the wholesale frauds in the letting of postal contracts, is probably a gross exaggeration. A counterfeit stamp has been discovered and an investigation is now pending, its object being to ascertain how far its use affected the last letting of mail contracts. Unusual precautions were taken at the last letting to prevent fraud, and it is not believed that unfair means to obtain contracts were used to any considerable extent.”

“The above, published in the Washington Evening Star of the 22d instant, bears the appearance of hedging for the benefit of Postmaster-General Jewell and his subs. Mr. Jewell was warned that there were fraudulent bids in the Department other than those of Race and Laughlin and Iddings, and the names of two clerks who were known to have a fraudulent stamp in their possession were sent to him, but no action was taken. The writer of the above paragraph believes that no unfair means were used to obtain contracts. Will he please explain how the Roots-Kernes-Coffin-Curry faction obtained the three hundred bids in Texas, besides other routes in Arkansas? Who used the fraudulent stamp on their proposals?”

“I challenge Messrs. Jewell, Tyner, and Woodward to disprove my statement that there are no fraudulent bids at present in the Department. The investigation during the past week discloses the fact that nearly every one of the bids of the Texas and California Stage Company and other contractors are stamped by the stamp not used by the Department, and made by Mr. Chambers.

“The investigation ordered by Congress will disclose the workings of some of the ‘honest’ and ‘reverend’ gentlemen who have been running the contract office for some time past in the interest of Christian bankers, ex-assistant United States marshals, and ex-Congressmen, who were the bright and shining lights of the republican party, (on the carpet-bag side.) The special agents who have taken the case in hand are not to be bribed nor scared, and they have the valuable assistance of a number of gentlemen who have for some time past been suffering from the wrongs committed upon them for the purpose of benefiting the religious fraternity that composed the ring and can afford to have their lives insured by the officials of the Post-Office Department.

“EX-CLERK POST-OFFICE DEPARTMENT.”

Q. Was Mr. Kittle an ex-clerk of the Post-Office Department?—A. No, certainly he was not.

Q. You say this was written in your store?—A. Yes, sir.

Q. Did you read it before it was sent for publication?—A. I read part of the article that was written, but that was not the same that was published. The article that was written in my store was not exactly as that is. It was altered.

Q. Who altered it?—A. That I do not know. I do not know anything of it, except that I saw a portion of an article, and that I furnished the pen and ink and paper, and two or three days afterward I saw it in the paper; somebody called my attention to it.

Q. You do not know how this article got to the paper?—A. No, sir.

Q. What was said between you and Kittle about its being published in the paper?—A. I do not know that there was anything said about it; I don't remember any conversations with Kittle about it.

Q. How did Kittle happen to show the article to you?—A. As far as my memory serves me, Kittle bought the Baltimore Gazette in relation to something or other, and was talking to me about the piece and who had written it, &c., and then brought up the subject of the use of the fictitious stamps, and I asked him if he knew of any other stamp besides the one that was in his possession; he said he knew of one other. I asked him if he knew of more than one, and he said he did not. His stamp he had destroyed or got rid of, and the other he got from a woman on E street, and he had it then in his possession.

Q. That was about something else; I am asking in reference to this article?—A. Well, that is my explanation of how the thing came to be brought up.

Q. Kittle had been a contractor in the mail-service; it was William D. Kittle, of Texas notoriety, was it not?—A. Yes, sir.

Q. Were you and he friends?—A. We were acquaintances; I do not know that we were friends at all.

Q. Intimate?—A. Well, not very.

Q. Was he in the habit of being frequently at your store?—A. No, sir; I do not think he was at my store more than two or three times, and each time he came up to purchase some article or to get some medicine.

Q. And you now testify that you have no knowledge how this article, or one similar to it, happened to be inserted in the Washington Tribune of Tuesday, January 22, 1876?—A. I have not. I have not the slightest knowledge how it went there, or who took it there.

Q. “Ex-clerk of the Post-Office Department;” is that you, or was it intended for you?—A. I don't know. It is not my work.

Q. Was it done by your consent or authority?—A. No, sir; it was not done with my consent. I had no time to waste on that.

Q. Was it done with your knowledge?—A. The signature to the paper?

Q. Yes.—A. No, sir.

Q. Had it that signature at the time you saw it?—A. It had no signature at all.

Q. Where is Kittle now?—A. I do not know.

Q. As a matter of fact do you know whether he has fled the country or not?—A. I do not know anything of him at all.

Q. How long is it since you have seen him?—A. I will have to refer to an honorable member of this committee. The last time I saw him, I think, was when we made a call on Mr. Ainsworth one Sunday evening, some time in February, I believe. I have not seen him but once since that, when I met him in Willard's Hotel.

Q. Are you acquainted with Mr. Coffin, a clerk in the Interior Department?—A. Slightly.

Q. Intimately or slightly only?—A. Well, I have known him, but not to say intimately, ever since he was a clerk in the Treasury Department.

Q. Are you and he special friends?—A. I do not know that we are.

Q. Are you acquainted with Logan H. Roots?—A. I have a casual acquaintance with him.

Q. Are you acquainted with Kernes?—A. I have met him occasionally; he being a contractor in the section I had charge of.

Q. Did you ever have any business transactions with Coffin?—A. No; I tried to have it.

Q. Be kind enough to look at this letter and read it?—A. [Reading.]

“JANUARY 26.

“MY DEAR COFLIN: I have two notes due February 1, amounting to \$250, which must be paid or go to protest. Will you ask Roots or Kernes if I can borrow that amount from them for ninety-days. Please answer at once, and oblige,

“Yours,

“EDWARD F. O'BRIEN.

“D. A. COFLIN, Esq.”

Q. Are Roots and Kernes bankers in this city?—A. Mr. Roots, I believe, is a banker of Little Rock, Arkansas.

Q. I am asking about this city?—A. I do not know that they are.

Q. Do you not know that they are not?—A. I know that they are not.

Q. They are mail contractors, are they not?—A. I think Mr. Roots is not.

Q. Is not Kernes?—A. I believe he is or was. I presume he is now.

Q. You testified in reference to some matters concerning Mr. Roots and Mr. Kernes in your examination of the 15th, 16th, and 17th of February, did you not?—A. I believe so. The record is there. I have never seen it.

Q. You testified also about some matters in regard to Mr. Coffin, did you not?—A. I presume it is in the evidence. I have not read my evidence since I gave it.

Q. Had you ever borrowed any money of Mr. Roots or Mr. Kernes prior to that time?—A. No, sir.

Q. Or of Mr. Coffin?—A. No, sir.

Q. Had you ever had any business transactions with Mr. Coffin?—A. I had not.

Q. Or with Mr. Roots or Mr. Kernes?—A. Nor with Mr. Roots nor Mr. Kernes.

Q. Read this letter that I now hand you.—A. [Reading.]

“DEAR COUGHLIN: Will you let me know what you have done? I forgot to mention that I will secure the loan by a deed of trust on the lower store, which is free from encumbrance, and as I want it only for ninety days, I am willing to pay a fair, reasonable rate of interest. I have no clerk at the upper store, so I cannot leave to see you and have to write what I would rather say. I would not have written to you at all only it was intimated to me a few nights ago that the parties I mentioned would be very willing to help me. Please answer by bearer. The time is short and I must see what I can do to save my notes.

“Yours,

“EDWARD F. O'BRIEN.”

Q. Give the date of that letter.—A. That is January 29.

Q. Three days after the first was written?—A. Yes, sir.

Q. Did the first letter bring the money?—A. No.

Q. Did it bring any answer at all?—A. The answer was returned by my boy that he would see what could be done and let me know in two or three days.

Q. I am not asking you in reference to your boy, but whether the letter brought any answer?—A. The answer was verbal.

Q. Did it bring any letter from Mr. Coffin?—A. No.

Q. Did you receive any letter from him about it?—A. I did not.

Q. Did you receive any answer to the second letter?—A. I did not.

Q. Have you talked with Mr. Coffin about it since?—A. I have not seen him.

Q. Why did you address him as “Dear Coffin,” when you say the acquaintance was only casual?—A. Well, that is my peculiar style of writing.

Q. Be kind enough to state why it was that on the 26th of January, 1875, you wrote to Mr. Coffin to secure a loan for you, he being a casual acquaintance, from men that you had only

a casual acquaintance with and no business transactions with at all.—A. As far as my memory serves me as regards dates—

Q. You are speaking now of the first letter?—A. Yes, sir. I was at the lower store on 13th street. I think it must have been two or three days before I wrote that note, and Mr. Coffin came in and we sat down and were talking of pecuniary difficulties, &c., and the terribly hard times in regard to raising money or collecting bills, and I asked him then if he knew of any party that I could borrow \$250 to \$300 from on my note well endorsed, for a period of ninety days, to enable me to take up notes that were then coming due. He said that he did not know, that he was not very well acquainted with most of the moneyed men, or, as I think he expressed it, "money sharks," but he would look around and let me know in two or three days. It was purely a business transaction between business men. I offered security of a thousand dollars for the amount of \$300 for ninety days; it had nothing to do with post-office matters, nothing to do with investigation; it was simply a transaction such as occurs every day between business-men where they are informed that certain men have money and they try to make a loan through an intermediate party.

Q. How long was it before this first letter of January 26 was written that you saw Mr. Coffin?—A. Two or three days before, at 326 Thirteenth street.

Q. Did you mention Mr. Roots and Mr. Kernes to him at that time?—A. I did not.

Q. Did he mention them to you?—A. I do not know that he did. He said that he might find somebody.

Q. You know that he mentioned them?—A. I do not know that he did; I do not know that the name was mentioned.

Q. Was Mr. Coffin a business man?—A. He is supposed to be a business man.

Q. Didn't you testify of him, in your evidence here, as a "Government pauper," who kept a boarding-house here?—A. I don't remember; possibly I did.

Q. Well, is he a money-lender?—A. You do not understand me. Although it was not mentioned there, still the intimation was conveyed, "I will pay you so much," the idea that I was perfectly willing to give a bonus, as is done every day between business men.

Q. You now swear that Mr. Coffin was to have a bonus for getting you that amount of money?—A. Well, I did not say it in so many words, but I gave him to understand that I was perfectly willing to pay for the accommodation.

Q. Well, if the names of Roots and Kernes were not mentioned between you and Mr. Coffin, and never had been, why did you say, "Ask Roots or Kernes?"—A. For the very reason that I had got information that Mr. Roots had money that he would loan, or could loan, or had loaned.

Q. From whom did that information come?—A. That I cannot tell you.

Q. Do you know of Mr. Roots ever lending anything in Washington?—A. I do not know anything about Mr. Roots' business at all. It was only an intimation from some person that it was possible that he would loan money.

Q. Did you know that this post-office investigation was at that time under headway?—A. I do not think I did.

Q. Hadn't you heard of it prior to that time?—A. No, sir; the first intimation I had of it was January 31.

Q. You hadn't heard or did not know that there was to be an investigation of the post-office matters?—A. I did not hear of it until I received the subpoena on the night of January 31, when I reported here.

Q. You had no suspicion or belief about it?—A. I presumed there would be.

Q. You had no suspicion or belief that you would be a witness?—A. O, I do not know about that.

Q. You had not talked with anybody about it?—A. I do not know about that.

Q. You had had no communication with Mr. Holbrook about your being a witness prior to the writing of this letter?—A. I don't think I had.

Q. Nor with any one else?—A. Nor with any one else. I think it was something like one or two days before I was subpoenaed that Mr. Holbrook came to my store, stopped in to get some cigars, and then spoke about it.

Q. Before you wrote the letter?—A. No, sir; after I wrote the letter, I think. It was so trivial a thing that it did not make any impression on my mind.

Q. What led you to believe that Mr. Roots or Mr. Kernes would let you have this money?—A. I do not know what led me to believe it. I was in a pretty tight fix, and I was willing to borrow money at any rate of interest to get out of the difficulty.

Q. You say you had had information from some source that Mr. Roots loaned money sometimes; why did you put it "Roots or Kernes" here; why did you suppose that Kernes would loan you money?—A. I do not know why I put that in. It was one of my foolish acts, without any great amount of crime attached to it, or criminal intention.

Q. Let me understand you; two or three days before this first letter was written you met this man Coffin in your lower store, and told him that you wanted from \$250 to \$300—that you must have it; and he agreed at that time to look around and see what he could do for you?—A. Yes, sir; that was the conversation.

Q. Who was present at that conversation?—A. I am trying to think. I cannot recollect whether my clerk was there or the boy.

Q. Whereabouts in the store were you?—A. In the back room of the store.

Q. Did you speak in a loud voice so that your clerk could hear or did hear?—A. In my ordinary tone of voice.

Q. What is your clerk's name?—A. I had two, one by the name of Winter and the other of Frill; Mr. Frill is dead. But I don't remember whether there was anybody there. It was a purely business transaction in regard to raising money, and that was all there was about it; a private business transaction.

Q. What bonus were you to pay him for this money?—A. I told you I had made no agreement. You will see that the second letter explains the first, because that I had omitted to state the security I would give.

Q. You spoke in this second letter of a mortgage on the lower store?—A. I stated that I was perfectly willing to give a mortgage on the lower store to secure the money.

Q. But I understand you to say that in the conversation you had with Mr. Coffin two or three days before this first letter you spoke of a note "well indorsed"?—A. I said I would like to raise from \$250 to \$300 on my own personal note, well indorsed; and then, for fear that they might not consider that my paper, even well indorsed, was worth much, I offered to pledge the whole store, worth a thousand dollars, to secure a debt of \$250 or \$300. If there was anything criminal in that I would like to see it.

By Mr. AINSWORTH:

Q. What search did you make for your jacket at the time you found another substituted; did you open and examine the papers in the jacket that you found on them?—A. In making up the case?

Q. No; I think you testified in your previous examination that you examined the papers and found the jacket you had placed on them gone and another jacket substituted. Now, did you examine the papers inside that jacket?—A. The first time that I examined them, the jacket showing \$4,800, which I had made, had been removed and another one substituted, but I suppose that that has been replaced again; for what purpose I do not know. I examined the papers in the substituted jacket and they were exactly the same that I had put in, with the exception of the jacket itself. That jacket was taken off and another one put on for some reason, I do not know what. The same number of trips which I had deducted were charged for, only that instead of its being figured at eleven round trips for which there was no reasonable excuse, I had deducted double price per trip for eleven trips; making that deduction of double price as a fine; and for the other six trips, where there was a good valid excuse that the contractor could not perform his service, I deducted *pro rata*. That jacket of mine was taken off and another one substituted, and the seventeen trips were deducted at double rate; which, according to law, is illegal and for which Peterson is entitled to his pay, for it was shown conclusively by reports of the agents there that during the month of February the boats were frozen up at Saint Louis and they could not get out to perform the service; and the law provides that where there is a reasonable excuse the *pro rata* rate only shall be deducted.

Q. That was a mere question of judgment between you and your superiors?—A. Yes, sir; there was no fraud in that.

Q. The question is, was that jacket of yours with these papers when you examined them?—A. No, sir; if it is there now it has been placed there since I left the Department, eight months ago.

By Mr. CANNON:

Q. Your jacket made the deduction some \$4,800?—A. Yes.

Q. And his jacket made it some \$5,600?—A. Yes, sir; something over \$5,000.

Q. You say that the proofs show that the boats were at Saint Louis in the ice; was not the service to be performed on the lower Mississippi?—A. Yes, sir; but if you will remember the first part of my evidence; you will see that the boats ran up to Saint Louis.

Q. But they need not necessarily have gone up there to perform that service?—A. No, sir; but they did run up there.

By the CHAIRMAN:

Q. You mean that the contracts were given to boats that did run to Saint Louis?—A. Yes, sir; and by the act of Providence they were shut up in the ice there.

By Mr. CANNON:

Q. But in running up to Saint Louis they were not carrying the mail on that route?—A. The boats were at Saint Louis frozen up, and that is the reason that I put the six trips only at single price, because there seemed to be a reasonable excuse for not carrying the mail on those trips.

WASHINGTON, May 25, 1876.

JOHN L. FRENCH sworn and examined.

By the CHAIRMAN :

Question. Where do you reside, and what is your occupation?—Answer. I reside in Washington, and I am chief clerk in the office of the Second Assistant Postmaster-General.

Q. Is that your only business?—A. Yes, sir.

Q. How long have you been in the Department?—A. Since February, 1869.

Q. Occupying the same position?—A. No, sir; I have only occupied my present position since March 15, 1871, I think.

Q. Please state, in a general way, the duties you have to perform and to supervise.—A. My duties are in general to supervise the work of the clerical force in the office. The correspondence going out from the office from the regular corresponding clerks all passes through my hands to be read and examined and checked before being signed by the Second Assistant. In the absence of the Second Assistant I was acting in his place.

Q. You are chief clerk of the contract division?—A. I am.

Q. How many clerks are employed under you?—A. About one hundred clerks.

Q. It embraces the entire contract division of the Post-Office Department?—A. Yes, sir; it embraces the office of the Second Assistant Postmaster-General. He is the head of the contract division, and I am next under him.

Q. All business going up to the Second Assistant goes through you?—A. Not absolutely all. There is an inspection division, the correspondence of which goes directly to the Second Assistant, because there is a chief of that division who performs there the same duties that I do in the office in general. That correspondence goes through him before going to the Second Assistant to be signed.

Q. This is one of the most important divisions in the Post-Office Department?—A. Well, I believe there are a greater number in the office of the Third Assistant, which embraces the dead-letter office. There are nearly as many employés in the dead-letter office alone as in ours.

Q. The duties of the contract division embrace everything in regard to letting and awarding the contracts?—A. The letting and awarding of mail contracts, and the supervision of them after they are awarded.

Q. All of which you are expected to supervise, generally?—A. Yes, sir. Of course the duties are distributed among the different divisions and different clerks in a general way, so that there are many things that do not absolutely pass under my personal supervision. There are many hundreds of calculations that I do not verify absolutely. If one man could do all the work, there would not be any necessity for more than one clerk. A great deal of work must necessarily be trusted to persons appointed to that particular kind of work.

Q. Is it your habit, as chief of the division, to institute frequent inspections of the clerks under your supervision, as to how they performed their duties?—A. Their work necessarily comes under my inspection every day, more or less.

Q. Then you exercise no special inspection; you make no special investigation?—A. No, sir; unless there seems to be some special occasion for it.

Q. Have the irregularities in your Department been considerable, or have the duties been honestly and well performed by the clerks?—A. I think they have been so performed, in the main. I do not know of any considerable irregularities.

Q. There have been irregularities?—A. Of course, there have been more or less.

Q. In what did those irregularities consist?—A. Well, I do not know that I have anything special in my mind at the present time. Clerks have been, from time to time, dismissed for being negligent and unfaithful in their duties.

Q. In the word "unfaithful" you comprehend any sort of delinquency?—A. Yes, sir.

Q. You were in the Department, I believe, at the time they had what is called the "Hinds investigation"?—A. Yes, sir.

Q. The clerks involved in that investigation were in your department?—A. Most of them were. There was one who was supposed to be involved who was clerk in the Sixth Auditor's Office.

Q. What were the names of those parties?—A. Mr. Colt and Mr. Floyd were two corresponding clerks in our office who were said to be involved in the matter, also Mr. Channell, another clerk in our office.

Q. At what time did that occur?—A. In the spring of 1875.

Q. How did the criminality of those clerks come to your knowledge?—A. I cannot say that it ever came to my knowledge absolutely, because I had not anything special to do with the investigation which developed all the facts. It first came to my knowledge in the shape of a suspicion, and the investigation was set on foot in consequence. The first suspicion I had that anything was wrong was when the awards for mail contracts were made in the State of Texas. Very much the larger part of the service was awarded to two different parties more regularly than would seem to be the law of chances in bidding in the ordinary way.

Q. Were the bids peculiar?—A. I do not know that they were peculiar except that they were just a very little under the next bid above them, in all cases with such regularity that

it awakened suspicion; an examination was made, an inspection of the bids, without showing anything fraudulent in the bids themselves.

Q. Has that fact ever attracted your attention in regard to any other letting except that?—A. Not so much.

Q. In the lettings of the routes in Texas, have not one or two firms frequently got most of the contracts there?—A. Not with anything like the general sweeping regularity of last spring.

Q. When was your suspicion aroused?—A. At the time of the making of the awards, before we were entirely through with it. At the time of making the awards the Second Assistant Postmaster-General, Colonel Routt, was absent, as he had just been appointed governor of Colorado.

Q. What was done when that suspicion was awakened in your mind?—A. I went to the Postmaster-General with it, and he and the Assistant Attorney-General, the acting chief clerk, the corresponding clerk who had charge of that service, and myself spent a whole evening inspecting the bids and the books, trying to find whether there was any clew to the facts, without finding anything definite except the general fact that appeared from the records. After that it was put into the hands of special agents of the Department to investigate specially, and they developed the facts and the persons who were concerned in the irregularities.

Q. I understand you to say that immediately after that those clerks were dismissed from the Department?—A. They were.

Q. Were all that were implicated dismissed?—A. I believe so; so far as I know.

Q. I presumed you would know?—A. I might not, because I had nothing at all to do with the investigation except to start it.

Q. It was a matter in your division?—A. Yes, sir; but Mr. Tyner came into the office as the head of the office, and he with the Postmaster-General and the special agents designated to investigate the matter, made the investigation.

Q. Do you mean that they did not consult you in an investigation into your division?—A. No, sir; they did not.

Q. What was the reason of that?—A. I know of no special reason.

Q. And you do not know whether all the clerks involved in the matter were dismissed or not?—A. I suppose they were.

Q. Why do you suppose so?—A. Well, I suppose that the facts all came to my knowledge after the investigation had been completed. I say that during the progress of the investigation I had nothing to do with it.

Q. Who were dismissed?—A. Mr. Floyd, Mr. Colt, Mr. Channell, and Mr. Ford. These are the names of all dismissed so far as I recall them.

Q. Do you think those are the names of all that you knew that were implicated?—A. Yes, sir; Mr. Rothrock, a messenger in the office, was dismissed after the revelation.

Q. These clerks all remained dismissed; there are none in the Department now?—A. No, sir; Mr. Rothrock, who was there as a messenger, is in the Department as laborer at present; he was removed from the messengership of the contract-office.

Q. Tell the committee what were the delinquencies of those clerks. Were they in collusion with contractors?—A. Yes, sir; as afterward developed, they were in collusion with contractors in furnishing them information. After the bids had been opened, and sufficiently inspected for them to know who was the lowest bidder on each route, they furnished information to the outside contractors who wished to bid, and they, with that information, put in lower bids.

Q. That, then, accounted for the facts which excited your suspicion?—A. Yes, sir.

Q. Explain to the committee how the clerks managed to do that.—A. Well, the bids after being opened in my room, and stamped, marked as required by law in the presence of two Assistant Postmasters-General, were necessarily distributed to the clerks for examining and indorsing, and recording them in books of the office preparatory to making the awards; and it was while they had them in their possession in this way that they became possessed of the information who was the lowest bidder.

Q. You say necessarily?—A. Yes, sir; necessarily; because one man could not do it all. There were, at that letting, between forty and fifty thousand bids.

Q. And it was during that examination and recording of the bids that they got possession of the information?—A. Yes, sir.

Q. How do the bids get into the Department, and what is done with them there, under the regulations?—A. They are received by mail, or handed in by the persons making the bids, or received by express, and they are then placed in a safe, which is kept for that purpose in my room, until the time of opening, as fixed in the advertisement, at which time they are opened in my room, and stamped or marked in some way to identify them. They are then distributed to different clerks assigned to different duties, to be performed on the bids, a certain set of clerks to indorse them, another set to examine them, and a third set to record them on the books preparatory to the award.

Q. At what particular stage did they get possession of this information?—A. It was after the bids had been indorsed and examined, and the bids on each route arranged by themselves, ready for recording on the books; or it may have been after they were recorded. I don't know as to the precise time.

Q. Where were those bids from the beginning up to this stage of the proceeding?—A. They were in the rooms of the different clerks, to whom the several duties were assigned.

Q. What is the law in regard to what is to be done with those bids when received in the Department previous to their opening?—A. Nothing, except that they are to be kept unopened. There are many times that they are opened, for the reason that they are not indorsed on the outside, and not known to be bids. In our advertisement we require the bidder to indorse on the outside of the package that they are proposals for mail-service, so that they may not be opened.

Q. All, however, that are so indorsed are put into the safe in the room of the chief clerk, and they remain there until the day of opening, and they are then opened in the presence of whom?—A. In the presence of two officers of the Department designated for that purpose under the law.

Q. This tampering with the bids occurred before that day of opening?—A. No, sir; I suppose not. It occurred afterward.

Q. What do you do with them when you open them in the presence of these two officers?—A. At some lettings the two officers have to put their initials on the bids by hand, but at this letting the bids were stamped with a stamp made for the purpose with the initials of the two officers of the Department.

Q. Then they were distributed after having been stamped?—A. Yes, sir.

Q. Is there any record kept of them except the mere stamping?—A. No, sir.

Q. There is no transcript taken of them by number or otherwise?—A. No, sir. It could not be done without very much retarding the work, or a very large increase of force beyond anything we have or could have.

Q. Then, the only check that you have in the Department against the clerks tampering with them afterward by a counterfeit seal or in any other way, is the stamp that is put upon the bids?—A. Yes, sir.

Q. Then, as I understand, there was a counterfeit seal made and this stamp also.—A. Yes, sir, I suppose there was. That was the evidence at the investigation.

Q. You know that to be the fact, do you not; you have seen the counterfeit and the genuine and examined them both?—A. O, certainly. It is very easy to distinguish the true and the false stamps on the bids.

Q. How long do these clerks have charge of the bids, any specified time, or do they keep them until the work is performed?—A. Until the work is performed. There is no specified time.

Q. Is there any special supervision of that work?—A. Well, I have, generally, a special supervision of the work all the time it is going on.

Q. Is there any special supervision of that particular work when it is going on?—A. No, sir; there is not any more than the general supervision of the office that I have.

Q. Is there any difference in the practice of the Department now and the practice at and before that time?—A. At this last spring letting an additional check was to count the bids after they were opened and stamped. They were not numbered. There was nothing done to them except to count them, when they were distributed, and each clerk was charged with the number given out to him and he was required to return the same number.

Q. That additional check was made in consequence of the frauds?—A. Yes, sir.

By Mr. CANNON :

Q. If, however, a perfect counterfeit seal could be made, the check of counting would be no protection if there was a dishonest clerk?—A. It would not be an absolute protection. If there was a counterfeit seal made so that it could not be distinguished from the genuine, I don't suppose that the counting would be a complete protection.

Q. Have you any idea of the number of bids that were tampered with in this way?—A. No, sir; I have not.

Q. You stated, a little while ago, that the fact that one or two parties got nearly all the contracts in the State excited your suspicion?—A. Yes.

Q. I supposed that you could arrive at some conclusion from that fact.—A. I suppose there were sixty or seventy or more bids bearing the impression of this fraudulent stamp.

Q. Have you ever discovered any fraudulent seal used by any other contractor?—A. I have not.

Q. There has been nothing of the kind discovered in the Department?—A. Not that I know of. Those are the only parties, so far as I know, that have used a fraudulent stamp.

Q. Do you know whether any of the clerks involved in that matter were criminally prosecuted in any way?—A. No: I believe they were not, any of them.

Q. Can you give any reason why that was not done?—A. I cannot of my own knowledge.

Q. You were not consulted about it?—A. No, sir.

Q. Do you know where those clerks are now, any of them?—A. I do not know definitely. I understand, in a general way, that Mr. Colt is living over in Virginia, somewhere. I do not know where. Mr. Floyd, I think, is in Maine; Mr. Ford is in this city; Mr. Chaunell is in the South.

Q. I believe he is a brother-in-law of yours?—A. He is.

Q. Did all these clerks abstract bids from the office, or was it done by one particular clerk?—A. I cannot tell.

Q. You think that the bids were tampered with after being opened and removed from your office?—A. I think so.

Q. Were any of the bids ever opened before they got to your room?—A. As I said before, bids were frequently sent in there without being indorsed on the outside as bids, and were therefore opened before they were filed away in the safe—opened because they were not known to be bids.

Q. What was done with them when they were opened and found to be bids?—A. They were immediately put with the other bids into the safe.

Q. Where was the stamp kept?—A. It was kept in the safe in my room.

Q. Did any one else have a key to that safe?—A. It is a safe without any key. It is a combination lock.

Q. Who had the combination?—A. The Second Assistant and myself only.

Q. Was the habit to keep the stamp in that safe except when it is taken out to be used?—A. Yes, sir.

Q. Can you account for how they got possession of the seal to make a counterfeit?—A. I cannot from my own knowledge. I know from hearsay, from the knowledge obtained through the investigation, that the seal was obtained when we sent the messenger, Rothrock, to the man who manufactured it, to bring it to the Department, that these parties waylaid him on the way, and obtained an impression of it before it came into the Department.

Q. They waylaid him and kept him long enough to get an impression of the seal?—A. That is my understanding of it. I do not know that of my own knowledge at all.

Q. Was this a new seal that had been made by order of the Department?—A. Certainly.

Q. A new seal was made on account of the change in the Second Assistant Postmaster-General?—A. Yes, sir; we usually have a new one at every letting. I think there has never been the same stamp used at two lettings, because it is seldom that the same officers officiate at two successive lettings.

Q. How did it happen that this work was assigned to these particular clerks?—A. I do not know that I understand the drift of the question.

Q. Was it the regular duty of these men as clerks in the Department to do this work?—A. No. There are no clerks who have regular duties assigned in connection with the lettings. The whole force of the office is usually employed at such a time, and they are used just as it happens to be most convenient.

Q. I understand that three persons did the recording for the Texas bids?—A. There are usually several clerks assigned to the bids for each State, two assigned for indorsing, two others for examining, and one or two others for recording.

Q. Were these clerks that committed the frauds in regard to the Texas bids all of them assigned to that Texas department to make examination of those bids?—A. Yes, sir; I believe they were.

Q. Were there any others besides those assigned?—A. Yes; there were others that were not involved in the fraud.

Q. How did the Department ascertain that the others were not involved in the fraud?—A. Well, I say involved; so far as anybody knows, they were not, and it is supposed they were not.

Q. They worked together, didn't they?—A. Not necessarily together, not necessarily in the same room; sometimes the clerks all worked on the same set of bids in the same room, and sometimes they take them each to his own room, just as the room for work and the number of clerks at work makes it most convenient.

Q. Well, they had such complete control of them that they could take them in or out of the Department as they pleased?—A. Well, yes; they had such charge of them, because they did it.

Q. Is it the habit in the Department now to permit that, so that they can take them out or in as they please?—A. At the last letting they were required to be brought back to my room and kept there overnight, locked up in the room.

Q. Was it your habit to have those bids locked up when they were taken to your office?—A. Yes, sir; locked up in the safe.

Q. Did any one else have access to them?—A. No one else had access to the safe. The messengers who opened the mails in the morning had access to them; a large number of them came in through the mails, and the messengers in charge of opening and assorting the mails had access to them, of course.

Q. Are these criminal irregularities the only ones that have come to your knowledge in the management of your division?—A. Yes, I think they are; that is, I do not say that there has never been any case of negligence of duty by any clerk, but I mean criminal acts, so far as I know. We have had one or two cases of what might possibly be called criminal neglect, unfaithfulness to duty.

Q. Has it ever occurred to you, in the management of that contract division, that certain contractors were favored above others in getting their certificates or collecting their pay, and in getting fines remitted, and matters of that sort that come under the general supervision of the division?—A. No, sir; I do not know of any partiality in those respects.

Q. You have discovered no partiality in that regard?—A. No, sir; not that I know of.

Q. What were Mr. Peterson's relations with the contract department?—A. He has had for many years quite a number of contracts.

Q. Running back how long?—A. I do not know how long; ever since I have been there.

Q. Is there any case that you can call to mind where you were under the impression that Mr. Peterson had been shown any favoritism in the granting of contracts or the remission of fines?—A. No, sir; I have no knowledge of anything of the kind.

Q. Or in the case of Mr. Sawyer either?—A. No, sir.

Q. Or Barlow, Sanderson & Co.?—A. I do not know of any contractor who has had special privileges above any other.

Q. Have you, as chief clerk of that division, ever given verbal or written instructions to any clerks under you, to make up cases in a different manner from what they supposed was right, to change their summing up of a case?—A. I have no recollection of having ever given such orders. It is possible I may have corrected the work of clerks, because that is my duty, but I do not recall any case of the kind in connection with Peterson, or any other contractor. Of course I have had a great many corrections made in the work of the office since I have been there, but I do not call to mind any specific instances of it at present.

Q. You do not call to mind any unusual case?—A. No, sir; I do not.

Q. Do you call to mind any cases that were called up particularly when the Second Assistant Postmaster-General was away and you were acting in his place? Was there any particular case of remission that was called up at those times, and not called up at others?—A. No, sir; I never had any suspicion of anything of that kind.

Q. You do not call to mind that any special contractor, when you were acting as Second Assistant Postmaster-General, insisted upon opening his case in regard to the remission of fines or forfeitures?—A. There may have been such cases. I do not call them to mind at present. Such cases are occurring every day with whoever is acting.

Q. Some witness stated that there was some contractor whose cases were called up.—A. If you mention any particular case, I will recall, if I can, what the facts are.

Mr. CANNON. Mr. O'Brien testified that Peterson's cases for remission were habitually called up when the Second Assistant was away, and Mr. French acting as Second Assistant.

The WITNESS. I do not know of such being the case. I have no knowledge of it.

By the CHAIRMAN:

Q. You had no relations with Peterson that would warrant him in insisting on your acting in his cases in the absence of the Second Assistant, believing that you would do what the Second Assistant Postmaster-General would not do?—A. No, sir.

Q. He had no claims upon you?—A. No, sir; not the least. He never had any reason for claiming any favor.

Q. Were you under any obligation to any contractor?—A. No, sir.

Q. Mr. Peterson never approached you in an improper manner, did he, in regard to his contracts?—A. He never did.

Q. He never offered to pay you anything?—A. No, sir.

Q. He never did pay you anything?—A. No, sir.

Q. Did he ever make you any presents?—A. No, sir—well, I believe I might correct that. He once, I think, sent me a little box of oranges from New Orleans.

Q. Did any other contractor ever make you a present?—A. Never; except a box or two of oranges, or something of that kind.

Q. Did any contractor ever make a present to any member of your family?—A. No, sir. I have had a box of cigars given me two or three times since my connection with the Department. I do not consider those presents in the sense in which the word is used here.

Q. No; I mean a valuable present.—A. I have never had anything of the kind from any contractor.

Q. I heard something about some contractors having made you or your family a present of a silver service?—A. I have never seen it, if he did. I have never had a present of a piece of silver in my life except a few at the time of my marriage, from my friends.

Q. Then you have never received from any contractor any fee or consideration for doing anything in your division of the Post-Office Department?—A. Never; the least iota; I have never had the offer made to me.

Q. Do you know of any other officer or clerk, except the ones that we have been talking about, who has had?—A. I do not.

Q. By whose order were these clerks assigned to this particular duty of registering those bids?—A. It is usually by a consultation between the Second Assistant Postmaster-General and myself.

Q. Were you acting as chief clerk at that time, or was some one else?—A. At the time this occurred I was Acting Second Assistant Postmaster-General, and Mr. Slater was acting chief clerk.

Q. Was the order made by him or by you?—A. The orders were made by myself and him in consultation; I think mainly by myself before he took my place. My duties were in his charge at that time.

By Mr. CANNON:

Q. Do you know Mr. O'Brien, who used to be a clerk in the contract-office?—A. I do.

Q. Did you ever give him instructions, either verbal or written, to certify the service of B. H. Peterson upon one or more of his routes without any reference whatever to the price of the performance of the service?—A. Never, in the world. I never gave any such orders to Mr. O'Brien or any other clerk in the office.

Q. Did you ever instruct him or any other clerk to certify the service or make up the case contrary to the usual practice of the office?—A. Never.

Q. Do you recollect, either from what occurred at the time or subsequently, a remission of some \$500 or \$700 that was made in favor of the contractor on a route from Evansville to Cairo in a case made up by O'Brien while he was a contract-clerk?—A. Yes, sir; I remember that case.

Q. Who was acting Second Assistant at that time?—A. I was. The Second Assistant was absent.

Q. Do you recollect whether Mr. Lake was absent?—A. I don't recollect. My impression is that he was absent. I think that when the case to which you refer came up by examination of the records we found that Mr. Lake was absent from the Department at that time.

Q. Have you since examined any papers to see whether that remission was a proper one or not?—A. Yes, sir; I have.

Q. State from your examination of the evidence whether the remission in that case was warranted by the proof?—A. I think from the evidence that the remission was not warranted. Perhaps I should explain that, at the time I signed the order remitting it, I supposed it was warranted, of course, else I should not have signed it, and was misled by a false record on the making up of the case.

Q. Did you examine the papers at the time you signed it?—A. I did not at the time.

Q. State whether it is practicable for the Second Assistant, or the acting Second Assistant in his absence, to examine all or any considerable number of the papers that he has to sign coming from the clerks.—A. It is not possible for him to examine them all in detail and verify all calculations. It would be an impossibility physically. It is my habit always to give particular attention to every paper before signing it, notwithstanding it has been passed by the acting chief clerk, but in cases of fines and deductions or remissions it is impossible for me to examine the papers in each case and see that they are all warranted.

Q. I understood you to say that the inspection division having a head in itself, that business does not pass through your hands when you are acting as chief clerk?—A. No, sir; it does not. It goes directly to the Second Assistant.

Q. And if Mr. Lake was absent and nobody acting, through whose hands would it pass?—A. It would come directly to my hands when I was acting as Second Assistant.

Q. Have you examined the letter-book of the Post-Office Department to ascertain whether any letter was written to Mr. Sweetser or any one else concerning that remission?—A. A letter was written to Mr. Sweetser, the contractor, or the agent of the contractor, notifying him of the remission.

Q. Do you recollect who appears to be the contractor on the books, whether it is Mr. Sweetser or the president of the company?—A. I don't recollect definitely now.

Q. Who was that letter signed by?—A. By myself.

Q. Have you examined the press-copy that was kept of it?—A. I have.

Q. In whose writing is the body of the letter?—A. I think it is in the handwriting of Colonel O'Brien, whose name, as is usual with clerks writing letters, is on the upper left hand corner, and it appears in the press-copy. I would not be able absolutely to identify the handwriting, from the fact that it is considerably faded in the press-copy, but I think it is the writing of Colonel O'Brien.

Q. Is it your handwriting?—A. No, sir; it is not.

Q. Do you recollect whether you read that letter when you signed it?—A. I have no distinct recollection about it now. I presume I did, and yet I may not have done so.

Q. The letter was written contemporaneously with or after the order of remission was made?—A. They are supposed to have been written at the same time. The order of remission and the letter notifying the contractor of it should come at the same time, and usually do.

Q. You speak of Rothrock as being, at the time this counterfeit seal or stamp was made, the messenger of your office?—A. Yes, sir.

Q. You say also that the investigation showed that while Mr. Rothrock was bringing this seal from the maker of it to the Department, he was approached by some one or more of those clerks and an impression taken of the seal?—A. Yes, sir.

Q. Is he a messenger now?—A. No, sir; he was dismissed from the office in consequence of this improper act, and was out for some time, I do not know how long, and afterward was appointed as a laborer, under the superintendent of the building, sweeping rooms and carrying water, &c.

Q. Do you know who appointed him?—A. I do not.

Q. Did you or the Second Assistant?—A. No, sir; he is not an officer appointed by the Second Assistant, or by his orders.

Q. Do you know anything of the antecedents of Rothrock, as to what there is of him intellectually?—A. There is not much of him, either physically or mentally, but he has always been regarded as a very faithful fellow for his place, as a messenger. He never was known, before that, to be guilty of any wrong act. He was simply a messenger and nothing else, and was not fitted for any other place. As to his antecedents I know very little. He was in Virginia, during the war, a great deal, and I suppose his physical and mental condition is owing a good deal to sufferings during the war. He is a wreck, physically, and I suppose never was very strong mentally, but he was only a messenger.

By the CHAIRMAN:

Q. He was not considered too much of a wreck to be a messenger in the office?—A. No, sir; he was not. His duties were to carry packages from one office to another; to seal up envelopes and send out the mail, &c.

By Mr. CANNON:

Q. I believe you stated that Ford, Colt, Floyd, and Channell were not prosecuted?—A. I believe they were not.

Q. Do you recollect whether they, or any of them, were used as evidence on the part of the Government against somebody who was prosecuted?—A. Yes, sir; they were all used except Ford, I believe.

Q. You had nothing to do with the investigation, after it was started upon your suggestion to the Postmaster-General, up to its close?—A. No, sir; I had not.

Q. It went into the hands of special agents?—A. Yes, sir.

Q. This fact of so many of these bids being a little under other bids was first noticed by yourself?—A. No, sir; it was first noticed by Mr. Slater, the acting chief clerk, and he brought it to my attention, and we both together brought it to the attention of the Postmaster-General. I was acting as Second Assistant; that was between the time that Colonel Routt went out and Mr. Tyner came in. Mr. Slater was acting as chief clerk, and, as is usual for the chief clerk to do, was making the awards, and, when he had about half finished the awards in the State of Texas, he came to me with his suspicions, and I looked over the books with him and coincided with his suspicions, and, together, we went to the Postmaster-General with it.

Q. Was that the commencement of the whole thing?—A. That was the commencement of the whole thing.

Q. At that time did you have any knowledge of there being a counterfeit stamp?—A. No, sir; I had not.

Q. State whether that was the first suspicion you had of anything wrong, when Mr. Slater made that communication.—A. Except in a general way. When the bids were opened, and I saw the bids with Kittle's name upon them, I suspected them from a previous knowledge of him, but I had no knowledge of anything wrong with them at that time.

Q. Was that before or after the stamp was affixed?—A. It was after the stamp was affixed, of course. What I refer to is the time when Mr. Slater came to me with the suspicion that there was something wrong and we went to examining the bids and saw that, although the bids were not made in the name of Kittle, he was upon them as surety. Former knowledge of his previous transaction with the Department had awakened our suspicions more strongly.

By Mr. AINSWORTH:

Q. At the time you discovered the similarity of the bids in amount and your suspicions were excited, were these bids there which have the impression from the genuine stamp?—A. Of course.

Q. And you say the difference is quite marked between the impressions of the counterfeit and the genuine stamps?—A. It is when the differences have been pointed out. At a casual observation one would not notice it, but when particular attention is called to the differences, then they are apparent.

Q. Were they not so apparent that one with suspicions that these bids were wrong would be likely to discover the difference?—A. I do not think they were, for the reason that these bids, with others that were known to have a genuine stamp upon them, were taken to the Printing and Engraving Bureau of the Treasury, where they have experts. I cannot testify positively in regard to this, because I did not do it or have anything to do with it, but I think they were taken there a second time before the difference was discovered. The first time they were thought to be genuine, but the suspicion of something being wrong was so strong that they were taken a second time, and, when the difference was once pointed out, any one could see it.

Q. Any one looking for the discrepancy, with the knowledge that there was a counterfeit stamp, would readily discover it?—A. No, sir; I don't say that. I say that any one having the difference between the true and the false pointed out to him could readily see it. A man with a mere suspicion might look at them and think they were identical.

Q. I am asking you whether, knowing that a part of the bids were stamped with the genuine and a part with the counterfeit, a person would have any difficulty in distinguishing

them?—A. In that case I think a man of reasonable sharpness would have no trouble in distinguishing the true from the false.

Q. When did Rothrock first communicate to you the fact that he had been waylaid?—A. He never communicated it to me.

Q. When did you first become aware of it?—A. Some time during the progress of the investigation. It was not first communicated to me by him, but by Mr. Tyner, I think. I am not sure, either, but what Rothrock did afterward tell me of it. I think he did, but not at the time. I first came to the knowledge of it through Mr. Tyner, who, with the special agents designated, was making the investigation.

Q. Mr. Rothrock had sufficient intelligence to be deemed a safe man to trust with the custody of a stamp of that importance?—A. We thought so at the time. We had trusted him before. It was customary to have him go to the maker of the seal and get it, and bring it to the office.

Q. Were any of the original bids abstracted?—A. I don't know. I think it is probable that there were some abstracted and replaced with counterfeit stamped bids. I think it very likely that some of the original bids were destroyed, and these others put in their place, but I don't know the fact.

Q. But you had no means of knowing or ascertaining whether there were any missing or not?—A. No, sir.

Q. Did you receive from any bidder notice that any proposals which he had sent had not been received?—A. Yes, sir, we did; but that is not proof. We have that occur at every letting.

Q. Is there no acknowledgment from the office of the receipt of proposals?—A. No, sir. There cannot be, as I understand, because the bids are in sealed packages, and we are prohibited from opening them. They are marked on the envelope as proposals for a certain designated State. The persons sending them are not known, nor the routes for which they are put in. On the upper left-hand corner is written, "Proposals State of Indiana," or whichever State it is, and then the package is addressed to the "Second Assistant Postmaster-General, Contract Office, Post-Office Department." That is all that appears on the outside, so that we cannot know what routes the bids are on. Sometimes we receive in one package the bids in two or three or half a dozen different States, and they are put away just as they are received, and not assorted until they are opened.

Q. Then the only notice taken of them is, that if accepted, the accepted bidder is given notice?—A. Yes, sir.

Q. And of those that are rejected no further notice is taken?—A. No, sir.

Q. The other bids are preserved, so that if the accepted bidder should fail, the Department could call on the others?—A. The route, the name of the bidder, and the exact amount of the bid are recorded in a large ledger in every case; all the bids, beginning with the highest and ending with the lowest, are recorded, and then we have the bids themselves on file.

Q. You spoke of the remission of the fine on the Evansville and Cairo route. State upon which portions of the papers submitted to you there was a false statement of the case.—A. There is what we call a jacket, on which there is a brief, giving the number of the route, the terminal points, the name of the contractor, &c., and the papers reporting any failure or any cause for fines are inclosed in this jacket, with the brief on the outside. In this case, as in others, the papers showing the failures were inside, and the record made on the brief, and then a record of the amount to be deducted, and the order to deduct so much. Then when evidence comes, as it frequently does, that the reported failures have been incorrectly reported in some way; we take the same case and turn it over, and on the back, of it make another brief to this effect: "Subsequent evidence showing that such and such trips were not failures, remit," so much. It was the indorsement on the back, last referred to, that was incorrect in that case. On the back there appeared a brief, stating that evidence had been received showing that the failures had not occurred, and then there was an order made remitting the amount, \$400 or \$500. I do not remember the amount.

Q. Was there any evidence upon that point in the papers?—A. No, sir. When the examination was made, there appeared no papers in the case, except those that were there when the original deduction was made.

Q. What is the practice in the office as to preserving certificates of service from postmasters, or papers of that class; are they carefully preserved?—A. They are.

Q. So that your papers show a complete record of everything that occurs in each case?—A. They do, so far as we know. They are supposed to.

Q. Mr. Lake was the chief of the inspection division at that time?—A. I believe he was. Mr. Watkins had been the previous chief, but I think this case occurred after Mr. Lake had become chief of the division.

Q. And you were Acting Second Assistant Postmaster-General?—A. Yes, sir; and my impression is that at the time this occurred Mr. Lake was absent on leave.

Q. Is it not usual for the Second Assistant Postmaster-General, when aware of the absence of the chief clerk of his division, to examine more carefully the papers sent to him?—A. It is my custom to do it whenever I can. It is not always possible to examine every

paper. We trust the statement in the brief, which represents that the papers are inside. We do not examine the papers inside. I never sign without examining the brief and seeing that the facts therein stated warrant the remission; but I could not in all cases examine the papers inside to make it certain.

Q. The question of the sufficiency of the testimony to warrant the remission is one in which the exercise of judgment is required, and in which the clerk and the chief of the division, or the chief of the division and the Second Assistant Postmaster-General might differ, is it not?—A. Usually it is not a matter of the exercise of judgment; it is simply a statement of a matter of fact, whether such a thing did or did not occur. It is a matter of judgment, of course, as to the sufficiency of the evidence.

Q. That is what I mean; for instance, your chief clerk might refuse to remit, considering the evidence not sufficient, while you would think it sufficient?—A. It is entirely possible that such a difference should occur as to the sufficiency or non-sufficiency of the proof.

Q. Do not those differences frequently occur?—A. Not frequently. They do sometimes, but it is quite unusual.

Q. Would you consider the making of a larger fine or deduction, or of a less fine or deduction than the Second Assistant would consider proper, any evidence of a want of integrity on the part of the clerk?—A. No; it might not show a want of integrity for him to say that a less fine should be imposed; but there could be no room for difference of judgment as to making a deduction for a certain specified number of trips lost, or as to remitting that deduction. That is not a matter of judgment, it is a matter of fact. The contract provides that for all trips lost a *pro rata* deduction shall be made. That is a matter of fact and of calculation, and so is the remission.

Q. Was it not the practice in the case of representative men appearing here from the sections in which the service was to be performed, that they were heard by you or by the Second Assistant without their testimony being in writing?—A. I think not. We act only on written testimony.

Q. And you have not known of their visiting the Department for the purpose of claiming that deductions should be made?—A. O, I know that to be done every quarter almost; but of course we require any evidence showing that the deductions should be remitted, to be given to us in writing.

Q. Were you in the Department at the time of the letting of a contract to Cheek, in the name of Peterson I think, on the route from Memphis to White River?—A. I don't know what particular contract you refer to. I know that the service has been on the river; it was divided into two routes, one from Memphis to White River and the other from White River to Vicksburgh.

Q. It was the contract in which Cheek gave Peterson 15 per cent. I believe?—A. I don't remember the case. If I could refer to the records, I suppose I could give you the information. Those river-men frequently gave Peterson powers of attorney to look after their contracts.

Q. Was not Peterson frequently at the Department in connection with that contract or those contracts?—A. I don't recollect that. He had a number of contracts and was frequently at the office, of course, in connection with his service.

Q. The contract was for \$21,500; and the testimony here shows a conference between Cheek and the Postmaster-General regarding the compensation to be given. Were you present at that conference?—A. I have no recollection of it now; though I may have been.

Q. Have you no recollection of the proposal in that case, or anything connected with it?—A. I have no recollection at all connected with the subject. If I had the books or the papers I have no doubt but they would bring it all up afresh.

Q. Have you any recollection of Governor Alcorn having visited you in connection with Peterson, regarding any routes there, and having used his influence to have contracts let to men that Peterson represented?—A. No, sir; I have no recollection of Governor Alcorn ever having been there in connection with Peterson or with his service. He may have been, but I do not recall it. Governor Alcorn has been there frequently in regard to the contract which we now have with Captain Lee. That is the service from Memphis down to the governor's home, and he has been interested in it and has been at the Department a number of times in connection with it, but not in connection with Peterson's service, so far as I know.

Q. Some witnesses have testified regarding your being connected with the insuring of contractors. State whether since you have been in the Department you have represented any insurance company; and, if so, what companies, and where have you transacted business?—A. I have never been the regular agent of any company. I have been a solicitor for policies for the Phoenix Mutual Life-Insurance Company for about three or four years.

Q. And have made up the applications and forwarded them?—A. Yes, sir; and delivered them to the agent in this city. All my work has been the soliciting and the making out the applications and turning them over to the agent.

Q. Where has been your place for transacting the business?—A. Wherever I met a man who wanted to be insured.

Q. In the Department?—A. No, not usually. My after-office hours and evenings have been devoted to that business.

Q. You have transacted some of it in the Department?—A. I have made out applications in the Department when men have come there to have me do so.

Q. Have you taken applications for any persons who had contracts?—A. Yes, sir; I have.

Q. For what contractors?—A. I don't know that I can give you a list of all of them; you can get a list from the agent here in the city.

Q. You can mention some of the more prominent ones?—A. I have insured the life of Peterson. I have insured the life of Kernes. I have insured Mr. Sawyer's, who is now dead. There are a number of others, I cannot give a complete list, that I know of. I do not wish it to be understood that I have insured only contractors. I have insured others. I can get, if the committee desire it, a complete list, or the committee can get it from Mr. Taylor, the agent in this city. I wish to state, if I may be allowed, in connection with that fact, that my life-insurance has been conducted as an entirely separate business from my business in the office, in an entirely honorable and fair way, as any man could do business outside of his official duties. I would like to have it go on record in connection with my testimony that I have never done a favor to any contractor for the purpose of insuring his life, and never have been influenced in any official decision by life-insurance or any other business consideration. I want to state it in the most positive and emphatic manner.

Q. By whom were the premiums received at the time of the first payments; by you or by the agent?—A. In a few cases by myself, but usually by the agent, and my commissions are received, not from the persons insured at all, but from the company. I have no relation with the party insured, except to write out his application, and if he pays at the time of the application, as they sometimes do, to receive the amount specified in the printed tables of the company and turn it over to the agent. That is my whole connection with the business, and I received my remuneration direct from the company, not from the party insured.

By Mr. CANNON:

Q. The certificates or the proofs upon which contractors are paid are usually registers returned by the postmasters at the ends of the routes, I believe?—A. Yes, sir.

Q. The proofs upon which remissions are made are returns from the postmasters or affidavits or any other competent proof?—A. Yes, sir.

Q. Is there any distinction in the practice of the Department as to the permanent preservation of the registers that are forwarded in the first instance, showing the performance of service, and the preservation of the proofs that are subsequently filed, upon which a remission is based? That is, are the registers kept, or are they at the end of a year or two thrown out and sold for waste paper?—A. They are kept. The registers and all those papers are kept on the files of the Department.

Q. The reason I call your attention to it is that Mr. Lake has testified, as I recollect, that the registers were ordinarily kept for a year or two?—A. O, I mean the registers on which any deductions are made. The general registers where all the service is reported, however, are recorded on the books, and they are not permanently preserved; any register showing a failure is not filed away with the others, but is put in this jacket and is preserved in the case.

Q. That is what I want to understand, whether the registers used in the ordinary course of business are returned month after month or quarter after quarter, showing either the performance or the want of performance; that class, I understand you to say, are not permanently kept?—A. Not permanently.

Q. Now, there is another class of proof where the case has been made up and deductions or fines made up. Then when the proof comes in by return from the postmaster or affidavit or otherwise, what becomes of that; does it go the way of the former registers or is it permanently kept?—A. That is permanently kept in the jacket. It is or should be put in the inside of the jacket on which the order is made for remission—the evidence on which the remission is made.

Q. Have you examined the papers in this case of the remission on the Evansville and Cairo route that was made up by Colonel O'Brien, as you have already testified, to see whether there was any proof of any kind upon which to base a remission?—A. Yes, sir; I examined the papers some time ago, as I testified previously, and found no papers in the case warranting the remission, although the brief on the outside of the case stated that evidence had been received sufficient to warrant the remission.

Q. Did you find any papers at all filed after the fine was made?—A. No. I stated before that I found only the papers that were in the case when the deduction was made. The committee has had those papers all here.

By the CHAIRMAN:

Q. That was the case where you signed the order?—A. Yes, sir.

Q. Are you in the habit of signing the order for the remission of the fine when the papers are sent up, without examining them?—A. I do sometimes. I examine the brief always, and I trust the brief to state the facts.

Q. I understand that in this case the clerk of the inspection-division was absent?—A. That is my recollection.

Q. You knew that fact at the time?—A. I suppose I did, of course.

Q. You knew, then, that there was no one between you and the clerk to make an examination of the papers at all?—A. Yes, sir.

Q. And you state to the committee now that, notwithstanding that knowledge, you signed this paper without making an examination of what papers were contained in the jacket warranting a remission of the fine?—A. I suppose I did.

Q. Is it your habit, when a fine of that kind is remitted, to trust entirely to the clerk who has made out the brief under you, without examining the papers at all?—A. No; I think it is not.

Q. Please state to the committee how it occurred that you did in that case.—A. I have no distinct recollection of the case at all at the time it occurred.

By Mr. AINSWORTH:

Q. Where were these papers kept from the time the remission was made until the time you re-examined them?—A. In the room occupied by the clerks having charge of that service—the room in which Colonel O'Brien was a clerk, and with two others.

Q. The others had access to the papers?—A. Yes, sir.

Q. And that proof might have been there and have been abstracted, might it not?—A. It might have been.

Q. When was this examination made by you, before or after O'Brien's discharge from the Department?—A. Before his discharge.

Q. Previous to the time of the examination, had complaint been made to you against Colonel O'Brien?—A. No; not that I know of.

Q. How came you to make the examination?—A. The way the case came up was this: A new clerk succeeded Colonel O'Brien in charge of that service, and the first quarter after his taking charge of the desk deductions were made from their pay for failures. As soon as they were notified of these deductions, Mr. Swetser, representing the steamboat company, came on for the purpose of having those deductions remitted, and seemed very much astonished that they had been imposed at all, and from his assurances that the deductions ought not to have been made, and his surprise that they had been made, and his statement also that they had not been treated so before, that they had always been paid for full service, the cases or previous certificates were looked up, and these cases that you now refer to were found.

Q. No complaint had been made by Peterson at that time?—A. Not that I know of—not to me.

Q. You never knew of his finding any fault with O'Brien's actions regarding his matters?—A. Not that I know of.

Q. You state that O'Brien wrote the letter which was sent to Swetser; was it not the usual practice for the clerk who made the examination of the case to write the letter of advice?—A. Certainly it was.

Q. So that Colonel O'Brien was only acting in the line of his duty in writing the letter if his finding was correct?—A. Certainly that was a part of his duty if the finding was correct, and to write the letter notifying the contractor of the fact.

Q. And the fact that he did write the letter would create no suspicion against him?—A. O, no.

Q. Do you know whether he brought the letter to you, or whether it was sent?—A. I have no recollection in regard to that.

Q. If he brought it, the necessity for indorsing his name upon it would not exist?—A. O, yes; that is the usual rule. It is not done absolutely always, but it is the usual rule for the clerk who writes the letter to indorse his name or his initials on the corner.

Q. The postmasters at the end of the routes send registers of the arrivals and departures of the mails. Now, would there be a find or a deduction made provided no registers were sent by those postmasters, or would you wait for further testimony?—A. We wait until we get evidence before we make a certificate.

Q. Would you make a deduction provided there was an absolute want of evidence as to performance?—A. No, sir; because we do not give the certificate until we have some evidence of the service. Then, if we have evidence of partial service, we make the deduction for service wanting.

Q. Then, if the evidence should come subsequently showing that service all right, would that deduction be remitted?—A. It would be remitted.

Q. Is it not possible that registers of that kind might be misplaced—might go to one side with those registers which you say are thrown aside after a certain time?—A. It is possible, but the registers reporting the failures on which these deductions were based are, as a matter of fact, preserved in this case, showing the deductions.

Q. But suppose that, subsequent to that time, a register showing that that register was a mistake was received, would not that form a basis for making the remission?—A. Yes, sir; if we were satisfied that the previous register was a mistake; but that register would be filed in the case, together with the letter showing that the previous one was a mistake.

Q. It should be, but it might possibly get with those registers which you do not preserve?—A. There is a possibility of that.

Q. And if with them, it would not be apt to excite attention unless it were found?—A. There is a possibility of that.

By Mr. CANNON:

Q. Is there a probability of that?—A. I hardly think there is a probability of that.

Q. At the time Colonel O'Brien made up this case for remission, did you suspect or had you cause to suspect his integrity?—A. Not at all.

WASHINGTON, May 26, 1876.

J. A. J. CRESWELL sworn and examined.

By Mr. CANNON:

Question. You were formerly Postmaster-General?—Answer. I was, from the 6th of March, 1869, to the 6th of July, 1874.

Q. Who preceded you as Postmaster-General?—A. The Hon. Alexander W. Randall. I don't recollect how long he was Postmaster-General; a year or two. He became Postmaster-General on the resignation of Postmaster-General Dennison.

Q. What do you know, or what did you observe while you were Postmaster-General, as to an alleged system of "straw-bidding" that was practiced by contractors in getting contracts for the mail-service on the western or southern routes?—A. The first year I was Postmaster-General, 1869, there was scarcely any, if any, straw-bidding; none that came to my attention. That was for the letting of the New England States and New York. When the next year came round, it was reported to me, after the opening of bids, that there had been what was called straw-bidding. It was a new thing to me. I examined, so far as I could, into the bids, and found that some of them were manifestly disproportioned to the necessary expenditure in the performance of the contract, and I came to the conclusion that the persons who had made those very small bids were not bidding in good faith, and I prepared a law, which I thought would protect the Department, and brought it to Congress and urged its passage. That law was taken up in the Senate and was amended, against my protest, so as to strike out the very features that I desired to have inserted, and to insert a feature which above all others I was anxious to exclude. I desired that the Postmaster-General should have discretion, first, when satisfied, upon notice given to parties to appear, to exclude a manifestly fictitious bid; and, secondly, that the Postmaster-General, after the failure of the lowest bidder to enter into contract, should have authority to make a contract with any person, whether a bidder or not; being willing, however, to give a preference to the bidder on his bid, whatever that might be, and resorting to outsiders only when he failed to make a contract with the bidder at a fair price. Both those features were stricken from the bill, and the second and third sections were consolidated into one section, which provided expressly that the Postmaster-General should be confined to the line of bidders, and gave him power only to award the contract to the lowest of the bidders, in the language of the act, "who would do so," (that is, who would enter into contract,) "for the performance of the service." When the business for 1870 was entered upon, we found that act to work very badly. It limited the Department at almost every turn, and the result was that contracts were awarded first to the lowest bidder, who failed, and then there would be a combination or arrangement, as we supposed; indeed, it was manifest that such was the case. Of course, we had no positive knowledge of it, but every lower bidder would retire, leaving the Department to choose between some bidder higher up the list and a continuance of the old contract, in the nature of temporary service, at a still higher figure. Of course, there was nothing left under the law but to accept the bidder who tendered himself to perform the contract; he being the lowest of the bidders. So it continued that year. When the next year came I made a fight on the whole thing, and determined to break it up. I called for the opinion of the Attorney-General as to whether the Department (independent of this law, which applied only to one year, 1870) had the power under the general law to run up the line of bidders and award the contract to some other than the lowest bidder, or whether we were obliged to advertise. The Attorney-General decided that I was obliged to re-advertise; that all I could do in the mean time was to let temporary service; and that course was followed in every case. Never, to my knowledge, was there one case in which the lowest bidder was not accepted, or, if the Department was obliged to employ temporary service, in which we did not employ the very cheapest service we could secure. In many cases we chaffered with these people for days, often revoking the contract made with the postmasters at the head of the route, and insisting on lower rates, and in every case we made the best terms for the Government we could. I am speaking now of the letting of 1871. Then, in 1872, Congress passed another law directing the Postmaster-General, where the lowest bidder failed, to take the next lowest bidder in the line who would proffer himself for the performance of the service, and, after advertising two or three times, as I did during that year, I was obliged, under the act of April, 1872, to pursue that policy and make contracts on the best terms I could.

Q. In 1870 what section were the contracts let in?—A. The West, the Territories, and the Pacific States.

Q. You speak of this bill that you prepared in 1870 being amended, and its valuable pro-

visions stricken out in the Senate. Do you recollect upon what ground that was done?—A. Yes, sir; I have it here. The reason assigned was, first, that it was giving too much power to the Postmaster-General to give him the right to declare a bid fictitious, or to give him the right to make a contract with anybody outside who was not a bidder, and the amendment, which was proposed by Senator Edmunds, was intended to deprive the Postmaster-General, so far as the selection of the bidder was concerned, of any discretion whatever. I have here the bill just as I prepared it. It was entitled—

“ A RESOLUTION authorizing the Postmaster-General to prescribe an earlier time for the execution of contracts by accepted bidders, and for other purposes.

“ Whereas in the instructions appended to an advertisement issued by the Postmaster-General on the 13th day of September, 1869, inviting proposals for carrying the mails of the United States for four years from the 1st July, 1870, in the States of California, Oregon, and Nevada, and in the Territories of Washington, Idaho, Montana, Wyoming, Utah, and Arizona, it is stipulated that the contracts are to be executed by or before the 1st day of July, 1870; and whereas in view of the importance of the service to be performed and the damage to the public interests which would result from failure to put said service in operation at the proper time, it is desirable to fix an earlier period than the 1st of July for the execution of the contracts, and to adopt such other precautions as may seem necessary to guard against the failure of bidders or contractors to fulfill their obligations: Therefore,

“ *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Postmaster-General be, and he is hereby, authorized in any case in which he may deem it necessary, to require accepted bidders under the advertisement of September 30, 1869, inviting proposals for carrying the mails of the United States in the States and Territories above mentioned to execute contracts and return them to the Department at an earlier period than the first day of July, and, at the discretion of the Postmaster-General, as early as the 1st day of June, 1870.

“ SEC. 2. *And be it further resolved*, That in any case arising under the advertisement mentioned, or which may arise at any time hereafter, in which the Postmaster-General shall have good reason to believe that any bid for carrying the mail on any route has not been made in good faith, he shall be authorized to summon the bidder or bidders to appear before him and show cause why such bid should not be set aside; and the failure of the bidder or bidders to appear in response to such a summons and satisfy the Postmaster-General that the bid has been made in good faith, and that the guarantors thereof are duly responsible, shall be deemed to be sufficient cause for setting the bid aside and *entering into contract with some other person or persons for the performance of the service*.

“ SEC. 3. *And be it further resolved*, That in case of the failure of any bidder or contractor for the transportation of the mails to fulfill his obligations as a bidder or contractor, the Postmaster-General is authorized to enter into contract with *some other person or persons for the full contract-term, or for such portion thereof as may remain at the time of the failure*.”

Mr. Stewart offered a substitute for the second and third sections, as follows:

“ SEC. 2. *And be it further resolved*, That in any case arising under the aforementioned advertisement, in which the Postmaster-General shall have good reason to believe that any bid for carrying the mail on any route has not been made in good faith, he shall be authorized to summon the bidder or bidders to appear before him and show cause why such bid should not be set aside, or immediately executed by entering into contract, with sufficient sureties; and the failure of the bidder or bidders to appear in response to such a summons, and satisfy the Postmaster-General that such bid has been made in good faith, and that the guarantors thereof are duly responsible, or to enter into such contract, shall be deemed to be sufficient cause for setting such bid aside and entering into contract with the *lowest of the bidders who will do so for the performance of the service*; and all the bidders shall be seasonably notified that such summons has been issued and that they may be required to enter into such contract.”

This amendment was framed by Senator Edmunds, and he said, “ It is not left to discretion; the amended section says in express terms that he (the lowest bidder) shall have it (the contract) if he takes it; but he must give his sureties.

“ Mr. CORBETT. The next highest bidder?

“ Mr. EDMUNDS. *No; the lowest one; then the next after him, the one nearest; and if he fails the next one, and so on; so that no discretion is left to the Postmaster-General.*” (Vide Globe, second session Forty-first Congress, part IV, pp. 2865-’6; also Statutes at Large, vol. XVI, p. 374.)

Q. That bill prepared by you was reported?—A. Yes, sir; it was reported by the committee.

Q. What part was draughted by you and reported by the committee?—A. The preamble and the first three sections.

By Mr. CANNON:

Q. Did you call attention to straw-bidding in your annual report; and, if so, when?—A. I did, at length, in my annual report for 1871. Beginning at page 30 of the text of the report of the Postmaster-General, you will find two pages and a half devoted to that subject.

Q. In the letting of 1870, in the western country, was the Missoula and Walla Walla route let?—A. It was.

Q. If you have the papers showing the facts as to the letting of that route, please produce them.—A. I have only the recommendations upon which the increase of service was made; that was after the letting. I have here only an abstract from the records of the Department touching the condition of that route, and the action taken by me before the letting of 1870, and showing the results which followed that letting.

Q. That route had been let prior to your coming in?—A. Yes, sir.

Q. I believe you cut down the service upon that route?—A. If you will permit me, I will give you a short statement of the history of the route.

“No. 15422.—1866 to 1870.—*Walla Walla to Missoula.*”

“1867, Feby. 23.—Contract ordered with Charles C. Huntley, at \$23,000 per annum.

“1867, Aug. 22.—Embrace Walla Walla on this route and order service to begin there, omitting Wallula from September 30, 1867, without change of pay.

“1867, Sept. 28.—Order an additional weekly trip, and allow contractor \$22,000 additional per annum from October 5, 1867.

“1867, Dec. 2.—Embrace Hell Gate, between Flat Head and Missoula, without change of pay, from January 1, 1868.

“1867, Dec. 16.—Order on additional weekly trip, making service three times a week, and allow contractor \$20,000 additional per annum, being less than pro rata, but agreeable to proposition, from January 1, 1868.

“1868, Feby. 29.—Send out new contracts on same terms, in name of L. H. Hirshfield, Helena, Montana, to date from January 1, 1868, which when returned duly executed shall be received, thereby releasing present contractor.

“Contractor, L. H. Hirshfield, at \$65,000, from January 1, 1868, to June 30, 1870.

“1868, July 29.—Embrace Stevensville and Fort Owen on this route, increasing distance forty miles, and order contractor to give them a side supply of three times a week, and allow \$5,000 additional per annum, being less than pro rata, but agreeable to proposition, from September 15, 1868.

“1869, Jany. 12.—Omit supply of Hell Gate.”

When I came in I took up this route for consideration, and on September 25, 1869, I made this order: “Decrease service two trips per week on main route, and pay of contractor \$42,000 per annum, being amount allowed for second and third additional trips per week ordered September 28, 1867, and December 16, 1867, from September 30, 1869, and allow contractor one month's extra pay on amount of service dispensed with from that date.”

“15414.—*Same route, Walla Walla to Missoula, once a week.*”

“1870, Mar. 14.—Bid of L. L. Blake, for \$15,000, accepted, he being lowest bidder, but he failed.

“1870, July 26.—Bid of C. C. Huntley accepted, for \$22,900, he being lowest bidder who would agree to perform service. (See order July 26, 1870.)

“1870, July 26.—L. L. Blake accepted bidder, having failed to execute his contracts and return them to the Department by the 10th of June, as required by resolution of Congress, approved May 5, 1870, all the bidders were notified, under the same resolution, to report immediately whether they would perform the service at their bid if called on C. C. Huntley being the lowest of the bidders who agrees to perform the service at his bid. Therefore set aside the bid of L. L. Blake and contract with C. C. Huntley, of Helena, Montana, at his bid of \$22,900 per annum from July 1, 1870, to June 30, 1874, the failing bidder and his guarantors being liable.

“1870, July 29.—Order one additional trip per week on side supply from Missoula to Stevensville, 40 miles, and allow contractors \$2,022 additional per annum from August 16, 1870.”

There was an excitement in the Montana mining-region about that time.

“1870, Aug. 23.—Extend service on side supply from Stevensville to Gird's Creek, increasing distance forty-five miles, and pay of contractor \$4,550 per annum pro rata from September 16, 1870.

“1870, Nov. 10.—Recognize the service of C. C. Huntley in conveying the mails two additional trips per week over that part of this route between Missoula to Stevensville from July 1 to August 15, 1870, at the rate of \$4,044 per annum, being pro rata, and refer to Auditor to adjust and pay.

“1870, Dec. 22.—Order two additional trips per week on that part of this route between Walla Walla and Missoula, four hundred and thirteen miles, and allow contractor \$41,754 additional pay per annum from January 1, 1871, being pro rata.”

“1872, Oct. 4.—Embrace Pine Grove between Rock Creek and Spo-Kane Bridge.”

· Increase of service ordered December 22, 1870, recommended by, I believe, every public

officer in the Territory: Senator G. H. Williams, by letter dated December 16, 1870; S. Garfield, Delegate from Washington Territory, December 19, 1870; B. F. Potts, governor of Montana, October 24, 1870; H. G. Washburn, surveyor-general; G. G. Synes, associate justice supreme court; William B. Cutler, postmaster and post-trader, Fort Shaw, M. T.; William F. Wheeler, United States marshal M. T.; L. B. Lyman, register United States land-office, M. T.; R. F. May, receiver United States land-office, M. T.; S. B. Church, assessor internal revenue; Hiram Knowles, associate justice supreme court; A. S. Simmons, chairman republican central territorial committee; Ben R. Dilles, postmaster, Louisville, M. T.; E. S. Stackpole, postmaster, Deer Lodge City; M. M. McCauley, agent for the Blackfeet; W. F. Saunders; Frank H. Woody, postmaster at Missoula; James M. Cavanaugh, transmitting foregoing letter.

"323 citizens of Missoula County.

"229 citizens of Montana Territory.

"266 citizens of Washington Territory.

"152 citizens of Deer Lodge County.

"323 citizens of Montana Territory.

"1,293"

"HELENA, MONTANA TERRITORY, September 26, 1870.

"Hon. GILES A. SMITH,

"Second Assistant Postmaster-General:

"The undersigned very respectfully beg leave to ask for an increase of mail-service to tri-weekly from Walla Walla, in Washington Territory, to Missoula, in Montana Territory. The necessities of the people of Oregon, Washington, and the rapidly-increasing population of Western Montana demand increased mail-facilities. The growing and prosperous towns at Thompson's River, Louisville, Cedar Creek, French Town, and Missoula, (all direct on the route,) ought, in our judgment, to be supplied with the increase asked for, and will fully justify the Department in complying with our request.

"Sincerely hoping that the additional mail-facilities asked for will be complied with, we are,

"Very respectfully, your obedient servants,

"H. D. WASHBURN,

"Surveyor-General, M. T.

"G. G. SYNES,

"Associate Justice Supreme Court.

"WM. B. CUTTER,

"Postmaster and Post-trader, Fort Shaw, M. T."

"I have recently been over most of the route in Montana, and am satisfied that the very large increase of population along it within the past year requires the mail-facilities asked for.

"WM. F. WHEELER,

"United States Marshal M. T.

"L. B. LYMAN,

"Registrar United States Land-Office, Helena, M. T.

"R. F. MAY,

"Receiver United States Land-Office, Helena, M. T.

"L. B. CHURCH,

"Assessor Internal Revenue.

"HIRAM KNOWLES,

"Associate Justice Supreme Court."

"CEDAR CREEK, M. T., October 5, 1870.

"Having lived near this route for the past nine months, and knowing the importance of mail-facilities thereon to the people, I cordially recommend the increase of mail-service as asked for. Nearly all the commerce of this immediate section, which numbers about two thousand people, is carried on with Walla-Walla, Washington Territory, which makes a tri-weekly service almost an absolute necessity.

"Respectfully,

"A. J. SIMMONS,

"Chairman Republican Central Territorial Committee."

"DEER LODGE CITY, October 7, 1870.

"I heartily recommend the increase of service asked for above. It would make a difference of about one-half of the time in our mails from this office to Walla-Walla.

"E. S. STACKPOLE, P. M."

"Most of our commercial relations being with Walla-Walla, W. T., the asked-for increase of mail-service is heartily indorsed, and will be duly appreciated by our population.

"BEN. R. DILLES,

"Postmaster, Louisville, M. T.

"OCTOBER 5, 1870."

"I have lived on this route for the past two years, know the wants of the people and importance of this route, and heartily indorse the above.

"M. M. McCAULEY,
"Agent for the Blackfeet."

"I am familiar with the population along this mail-route, and consider increase of service thereon demanded by its importance and justified on principles of wise economy.

"W. F. SANDERS."

"EXECUTIVE DEPARTMENT, MONTANA TERRITORY,

"Virginia City, October 24, 1870.

"SIR: I warmly recommend that you order tri-weekly service on the mail-route from Missoula, Montana Territory, to Walla-Walla, in Washington Territory. The papers which have been exhibited to me show clearly the necessity therefor, but, in addition to the papers, I have made a careful examination personally, having been at Missoula in last month, and mixed with the people, and from them learned the necessity of the new service. The rapid settlements made in the Missoula Valley and the Valley of the Bitter Root, by persons from Oregon and Washington Ty., and the great mining-camp at Cedar Creek, that trade at Walla-Walla, makes the tri-weekly as necessary as the present weekly service. The country above described is so far distant from the Union Pacific Railroad and the commercial towns adjacent thereto, that all their trading is done on the west side, at Walla-Walla, it being not half so far distant. The Territory of Montana west of the Rocky Mountains, which includes nearly half of the land and population of the same, is directly interested in this mail-route, and I trust you will grant this, the unanimous request of the people.

"I have the honor to be, very truly, your obedient servant,

"B. F. POTTS,
"Governor of Montana.

"Hon. GILES A. SMITH,

"Second Assistant Postmaster-General, Washington, D. C."

"HELENA, M. T., October 15, 1870.

"SIR: I have the honor to herewith transmit to you the within letters, signed by the leading Federal officials of the Territory, asking for an increase of mail-service on the mail-route between Walla-Walla and Missoula. I beg leave to cordially indorse their application, and earnestly hope their request may be complied with.

"I have been over a large portion of the route within the past ten days, and can bear personal testimony to the wants of the people in the western portion of this Territory. About one-half of the population of this Territory will be supplied with much-needed mail-facilities by an increase on the above-named route. Especially will the residents of Deer Lodge, Blackfoot, Missoula, Frenchtown, Louisville, Forest City, Cedar, and Helena be benefited by the speedy adoption of an increased service. New commercial and mining interests arising from recent mineral discoveries render the want of greater mail-facilities an imperative necessity.

"Earnestly requesting your favorable consideration for the above request, and hoping your compliance, I am,

"Very respectfully, your obedient servant,

"JAMES M. CAVANAUGH.

"Hon. GILES A. SMITH,

"Second Assistant Postmaster-General."

"UNITED STATES SENATE CHAMBER,

"Washington, D. C., December 16, 1870.

"SIR: My judgment is, from what I know of the mail-route between Walla-Walla, W. T., and Missoula, M. T., that a tri-weekly mail-service on that route is required by the necessities of the population in that section of the country.

"I would, therefore, cordially recommend the establishment of such service on said route.

"Yours, very truly,

"GEO. H. WILLIAMS.

"Hon. GILES A. SMITH,

"Second Assistant Postmaster-General, Washington, D. C."

"WASHINGTON, December 19, 1870.

"SIR: Referring to the subject of increased mail-service upon the route from Missoula to Walla-Walla, I beg to file my earnest request for its accomplishment.

"Over five thousand people in my Territory, and some fifteen thousand in Idaho and Montana, would be benefited by the increased service. This route supplies mail-matter to some twenty-five or thirty post-offices. A large portion of the commerce of Western Mou-

tana and Northern Idaho is with Washington Territory, Oregon, and California, and the commercial relations of those localities are so close as to render more frequent postal communication an imperative necessity. It is unnecessary for me to refer to the saving of time by this route, as that has been stated by a postmaster who has cognizance of the facts.

"In 1868, outside of Walla-Walla there were not to exceed three thousand persons along the whole route. The opening of the Cedar Creek and adjacent mining-regions has drawn thither a large population, which is being augmented daily.

"Tri-weekly service will enable the contractor to put on a line of coaches and make such improvements in the road as may be necessary. As this latter outlay will be considerable, and as the proposed line will be a great public benefit, I respectfully solicit for the contractor as wide a margin of liberality as is consistent with the public interest. But, above all, let us have the tri-weekly service, as that is indispensable for the welfare of the people of that region.

"With great respect, your obedient servant,

"S. GARFIELDDE.

"Hon. J. A. J. CRESWELL,
"Postmaster-General."

"NORTHERN PACIFIC RAILROAD COMPANY,
"President's Office, 120 Broadway, New York, February 24, 1873.

"SIR: It is the expectation of the Northern Pacific Railroad Company to place that portion of its route lying between the mouth of Snake River and Pend d'Oreille Lake, a distance of more than two hundred miles, under contract for construction during the present season. The increased population and business along the line will render increased mail-facilities very desirable.

"Route from Walla-Walla to Missoula supplies that district of country, and it would greatly facilitate the heavy business of the coming season if service could be increased thereon. I therefore respectfully recommend service six times a week on said route after June 1st next.

"I have the honor to be, yours, &c.,

"G. A. CASS,
"President.

"Hon. J. A. J. CRESWELL,
"Postmaster General."

[Indorsement.]

"Having made a personal examination of a portion of the route within named, and personally knowing the fact that the railroad-line is to be pressed forward the coming year, I earnestly recommend the increased service requested within.

"WM. WINDOM."

"WASHINGTON, February 25, 1873.

"SIR: The mail-route from Walla-Walla to Missoula passes through my Territory for a distance of near two hundred miles. That portion of the Territory is good country, and populating. The present mail-service is not in excess of the demands of the country, and the construction of two hundred miles of railroad in that region during the present year will increase the necessity for prompt and frequent service. Understanding that representations will be made to the Department for the purpose of diminishing the present service, I desire to place on file my respectful remonstrance against such action.

"With great respect, your obedient servant,

"S. GARFIELDDE.

"Hon. J. A. J. CRESWELL,
"Postmaster-General."

"WASHINGTON, February 26, 1873.

"SIR: I understand that efforts will be made to reduce the service on the mail-route from Walla-Walla to Missoula City, in my Territory. Whatever may have been the case as to the tri-weekly service on this route in times past, such service is undoubtedly demanded now. The Northern Pacific Railroad Company will the coming season build about three hundred miles of its road through the section of country traversed by this route; and there will be an imperative necessity for at least tri-weekly service over it. This is not now conjecture, the company having let the contract to this effect. I therefore respectfully request that present service may continue.

"WM. H. CLAGITT, Delegate.

"Hon. JNO. A. J. CRESWELL,
"Postmaster-General United States."

Upon these recommendations the service was increased. It appeared to be the judgment of everybody in that section of the country, against the judgment of the Postmaster-General, and I yielded my judgment to theirs. Then in 1872 we began to suspect that we could dispense with the route. In the mean time they were going on with the construction of the Northern Pacific Railroad, and representations were coming to us that this route was very important to them. Nevertheless we meditated the reduction of the service to about once a week, and just about the time we had reached that conclusion, we received the following letters:

February 24, 1873, a letter from G. A. Cass, president Northern Pacific Railroad Company, stating that "it is the expectation of the Northern Pacific Railroad Company to place that portion of its route lying between the mouth of Snake River and Pend d'Oreille Lake, a distance of more than two hundred miles, under contract for construction during the present season. The increased population and business along the line will render increased mail-facilities very desirable, and recommending that service on this route be increased to six times a week after June 1 then next."

This letter was indorsed by Hon. Wm. Windom as follows: "Having made a personal examination of a portion of the route within named, and personally knowing to the fact that the railroad-line is to be pressed forward the coming year, I earnestly recommend increased service requested within."

February 25, 1873, Hon. S. Garfield writes the Department as follows:

"The mail-route from Walla-Walla to Missoula passes through my Territory for a distance of more than two hundred miles. That portion of the Territory is good country and rapidly populating. The present mail-service is not in excess of the demands of the country, and the construction of two hundred miles of railroad in that region during the present year will increase the necessity for prompt and frequent service. Understanding that representations will be made to the Department for the purpose of diminishing the present service, I desire to place on file my respectful remonstrance against such action."

February 26, 1873, Hon. Wm. H. Clagett, of Montana, writes the Department as follows:

"I understand that efforts will be made to reduce the service on the mail-route from Walla-Walla to Missoula City, in my Territory. Whatever may have been the case as to tri-weekly service on this route in times past, such service is undoubtedly demanded now. The Northern Pacific Railroad Company will the coming season build about two hundred miles of its route through the section of country traversed by this route, and there will be an imperative necessity for at least tri-weekly service over it. This is not now conjecture, the company having let the contract to this effect. I therefore respectfully request that present service may continue."

Those are the letters upon which that service was ordered up, and upon which it remained up.

Q. There has been some evidence before this committee on hearsay, and an affidavit filed by Mr. Holbrook, on hearsay, in regard to the service on that route, and also in regard to the postmaster at Walla-Walla, (a Mr. Moore, I believe,) in which affidavit it is alleged, on hearsay, substantially that Moore was removed for having recommended a decrease or discontinuance of service on that route, he having alleged that it cost the Government \$1,000 a letter to carry the mails upon it. If you have any knowledge as to that matter and as to the cause of the removal of Moore, please state it.—A. Mr. Moore was appointed 17th March, 1869, shortly after I came in, and was re-appointed by the President, and confirmed by the Senate in July, 1870, the Senate not having been in session when he was first appointed. James M. Gorman was appointed January 27, 1873, vice Moore, removed. He was appointed on the recommendations of the Hon. S. Garfield, G. H. Williams, and A. H. Ramsay. Samuel D. Smith was appointed March 14, 1873, and Mrs. Catherine G. Smith was appointed April 28, 1874. Moore was removed on affidavits filed against him for incompetency and neglect of duty. J. McDowell, special agent, Post-Office Department, says: "The postmaster at Boise City, as well as other points, finds fault with this office (Walla-Walla) on account of their carelessness in distributing and forwarding the mails." Hon. S. Garfield says: "Similar complaints were made to me while in that region recently, and under the circumstances it seems quite clear that the public are not served as they should be, and that a change should be made." I presume it is not necessary for me to read all the affidavits and letters in the nature of complaints about the conduct of the postmaster at Walla-Walla. Those papers are all on file in the Department. In addition to this, Mr. Moore came to Washington, and represented that he had been unjustly dealt with, and I then gave him a full hearing at the Department, when he had an opportunity to state his case from one end to the other; but his re-appointment was not deemed desirable, looking to the public interest, and therefore he was not re-appointed. Here is a letter which he afterward addressed to me, dated in December, 1873, giving his own account of that interview, and I suppose that if he had been removed for the cause alleged, he would not have said what he does say in this letter: "John S. Post, postmaster, at Boise City, I. T., made a statement to the Department that I had signed most of the receipts during a period in which certain errors occurred, *on account of which I was removed from the post-office here.* I had made a statement directly to the contrary, but I being an interested party, and as he ought to have been disinterested, his statement carried conviction to your mind, and you said,

'This registry business looks bad.' Viewed by an outsider, I'll admit it did, but I had not the proofs on hand, and the decision went against me."

I submit these letters and a brief of the charges as a part of my testimony :

" WASHINGTON, January 6, 1873.

" SIR : Your letter of December 26th ultimo, inquiring whether there should be a change in the postmaster at Walla-Walla, Washington Territory, is received. In reply I have the honor to state that similar complaints were made to me while in that region recently. Under the circumstances, it seems quite clear that the public are not served as they should be, and that a change should be made. In case a change should be made, I respectfully recommend the appointment of James M. Gorman, of Walla-Walla, for the position. He is a man every way qualified for the position ; a staunch republican ; a soldier of much merit in the late war, and one whose appointment would give general satisfaction.

" Very respectfully,

" S. GARFIELDE.

" Hon. JAMES H. MARR,

" *Acting First Assistant Postmaster-General.*"

" WASHINGTON, D. C., March 7, 1873.

" SIR : In answer to yours of 6th instant, I will say that the charges preferred by me against the postmaster at Walla-Walla, Washington Territory, consist in his general negligence in handling registered matter in transit, packages being frequently returned, and other packages sent by me passing his office without his keeping a record of the same. I also informed you that I had been told by residents of Lewiston, Idaho, that the postmaster at Walla-Walla was very careless in the discharge of his duties, and requested you to investigate the matter.

" The postmaster at Walla-Walla some time before had wrote me that the fault was with his clerk, but the most of his receipts were signed by himself.

" Very respectfully, your obedient servant,

" JOHN A. POST,

" *Deputy Postmaster, Boise City, Idaho.*

" Hon. JAMES McDOWELL,

" *Special Agent, Post-Office Department.*"

" WALLA-WALLA, W. T., November 5, 1873.

" HONORED SIR : One of those circumstances which rankle and fester in the memory occurred with me in your presence last March. John S. Post, postmaster at Boise City, I. T., made a statement to the Department that I had signed most of the receipts during a period in which certain errors occurred, on account of which I was removed from the post-office here. I had made a statement directly to the contrary, but I being an interested party, and as he ought to have been disinterested, his statement carried conviction to your mind, and you said, 'This registry business looks bad.' Viewed by an outsider I'll admit it did, but I had not the proofs on hand, and the decision went against me. I talked with Post on the evening previous, and told him what he had written to the Department, and he admitted if he had said so it was a mistake, for he admitted it was not true. But when he came before you he sustained the error of his letter. I now have a letter from him on the subject, from which I quote as follows : 'As to the receipts you speak about, I have carelessly looked them over, and find about one in five signed by you unmistakably, and a number signed as if the person designed to imitate your signature, and those are the ones I thought were signed by you.' In addition to the above evidence that he was mistaken, I will add that during the time the errors complained of were committed, there were seven hundred and three entries made in the register of registered matter in transit, of which twenty-seven only are in my handwriting. I presume it makes very little difference to either you or me, but I could not contentedly rest under the imputation of having resorted to so cowardly a falsehood to screen myself.

" You will please file this statement with Mr. Post's letter.

" Respectfully, yours,

" C. MOORE,

" *Ex-Postmaster Walla-Walla.*

" Hon JOHN A. J. CRESWELL,

" *Postmaster-General, Washington, D. C.*"

" *Brief of charges against the Postmaster at Walla Walla, Washington Territory.*

" 1. Affidavits of E. H. Massam and four others, charging postmaster at Walla Walla with refusing to register letter to pay money-orders, to deliver mail-matter, &c.

" 2. Affidavit of H. Parker, charging postmaster with many specified acts of misconduct.

" 3. Affidavit of Henry Howard, charging postmaster with refusing to change money tendered him in payment for registered letters.

"4. Affidavit of W. B. Kelly, charging that the postmaster refused to pay two money-orders drawn on him by the Oregon City postmaster.

"5. Affidavit of E. H. Massam, that postmaster refused to register a letter when postage and fees were tendered him.

"6. Affidavit of M. Hartman, that postmaster refused to deliver mail-matter, serving his customers with merchandise instead.

"7. Letter of postmaster at Boise City. Copy appended.

"8. Letter of Hon. S. Garfield. Copy appended."

This statement was filed in the Department. Not only that, but the very first intimation that ever came to me that it was even suspected that this man was removed because he was giving information against the stage-route, was conveyed to me at the time of the rehearing of the case, which was given to Mr. Moore on his application; and at the next interview I had with the President, after that, I told him that this man Gorman should be removed, for the reason that he was regarded as in the interest of the stage-company. The President agreed with me, and Gorman was removed in two months after his appointment, and Samuel D. Smith appointed. I believe Samuel D. Smith was a democrat.

Q. Did Gorman have a bond?—A. I am not able to say, but probably he did.

Q. As a matter of fact, was or was not Moore removed for what he purports in these papers to have been removed for, or was it because of his making any recommendations against this stage-route?—A. I never heard of any such thing, when the man was removed, as that it was because he had made recommendations against the stage company. He was removed for totally different reasons. He was suspected and strongly suspected of tampering with registered matter, which is one of the gravest offenses in the service. I may have done the man injustice in that respect, but he certainly lay under a cloud.

By the CHAIRMAN :

Q. Did Moore give information against, or interfere in any way with, the stage company?—A. Not that I am aware of. He never gave me any information that I am aware of.

Q. None ever came to your notice?—A. No, sir; and any information that he might have given in that way would have been to his credit, and not to his discredit, if it came to me.

By Mr. AINSWORTH :

Q. Did you ever have any knowledge of his having given any information to any other officer in the Department?—A. I do not know that I did; if so, it had passed from my mind at the time of his removal. I do not think I ever heard anything of the kind.

By Mr. CANNON :

Q. In reference to all the routes, but more particularly now with reference to this route, I will ask you whether or no you willingly increased the service?—A. I increased it very reluctantly, and only as a concession to a degree of importunity in behalf of what I believed to be the interests of the entire people of that section, which I could not, as a public officer, resist. I had the same prejudices against that western service when I went into office that every eastern man has.

By the CHAIRMAN :

Q. What were the reasons why you were unwilling to increase it?—A. Simply because I thought the service was inordinately expensive for the return to the Department, as I think much of that western service was. But a longer experience satisfied me that the Post-Office Department could not change the policy which had been established for it for years. It had to be, in that new country, a sort of pioneer, and probably the expenditure paid in other ways.

Q. Are you acquainted with the letting of the service in 1870 or 1871 on the Oroville and Portland route?—A. Yes, sir; that was in 1870. I know all about it.

Q. If you recollect the route, and if you know the action of the Department in reference to it, and on what recommendation that action was taken, please give a complete history of it from beginning to end, including the letting, the shortening of the route as the railroads were built, at either or both ends, and the failure or otherwise of the railway companies to carry the mail, and the change, if any, on the route, or on any portion thereof?—A. I will do so with pleasure so far as I can. The contract in force on this route, when I went into the Department, was made under the advertisement of April 4, 1867. The contractor was Jesse D. Carr, and the compensation was \$206,000. This route was advertised on the 30th September, 1869, for the contract-term from July 1, 1870, to June 30, 1874. The committee must bear in mind that when we advertised the route in September, no portion of the railroad from Portland southward had been completed. The highest bid received was that of Richard Lambert, \$197,000; and the lowest was the bid of Grant I. Taggart, \$25,000, but that was only a partial bid from Oroville to Shasta. It was not in conformity with the advertisement, and was therefore rejected. The next lowest was the bid of Theodore Lee, at \$80,000, and his bid was accepted. He failed to comply, however, although notice was sent out to him under the act of May 5, 1870, in the form of a circular calling on all persons to whom contracts were awarded to come forward by a day named and show cause why their bids should not be set

aside, or they should not enter into contract for the performance of the service. I sent a telegram to special agent John H. Wickizer, which is set forth in full in the record of the case. In this case it appears that the postmaster at the head of the route employed Carr to perform the service daily at \$700 a day. He was the old contractor, and I suppose the only person who could perform it. Then a controversy grew up here as to who was entitled to the contract, Lee having failed. The next man on the list was John Allman. The next bid above Allman's was Gilmer & Saulsbury's. There was a technical difficulty, however, about Allman's bid. He bid for six times a week in his first bid, and Gilmer & Saulsbury contended that his bid should be excluded on that ground. Senator Nye of Nevada came to me, and pledged his personal honor that he knew this man John Allman, and that he was an honorable man; that he intended to execute the contract if he could get it, and that he was in every way deserving of it, and a reliable business man. After the hearing I decided in favor of Allman, and although my decision in that case has been much excepted to, I still insist that I was right. In the first place, Allman put in affidavits that he had corrected his bid before the expiration of the appointed time; but I put my decision mainly on the language of the act of May, 1870, which provided that the Postmaster-General shall have the authority to give the contract to the lowest bidder who will enter into contract for the performance of the service. Now, both these men were bidders, and I held that I was not bound to the mere fact of the bid, that the law made a designation of the persons among whom I should grant the contract, but that I was not limited to the bid.

Q. Do I understand you to say that you held that where a contract was advertised for seven times a week, and a man put in a bid for six times a week, (which bid was lower than any of those for seven times a week,) that the six-times-a-week man was the lowest bidder?—A. I held that, under that act of May, 1870, (which was a law passed expressly for that year's bidding,) I was confined only to the line of bidders, to "the lowest of the bidders who would enter into contract for the performance of the service." But on other grounds I held that my decision was right. In the first place I was not bound by a regulation of the Department. A regulation of the Department is something that the Postmaster-General creates, and when he deems that the public service requires it he may make that regulation bend to the public interest. Besides, this man had put in what I regarded as satisfactory testimony that he had corrected his bid in time. Then, again, I relied on the general ground that I was bound to the bidders, but not to the bids. I gave the contract to Allman. Well, he turned out to be a rascal. That is about the plain English of it. I gave him his contract and he took it, and promised to return it in due time, but he never did return it. We commenced pursuing him by letters and telegrams, and doing all that we could to get him up to the mark, and finally we had to notify him that if he did not come by a certain day we would give the contract to the next lowest bidder who would tender for the service. Notwithstanding all our efforts and admonitions, Allman failed to comply, and it became evident that he was trifling with the Department. Under this same law of May 5, 1870, we then sent out circulars to all the other bidders, and, strange as it may appear, although Gilmer & Saulsbury were so anxious before to get the contract, they filed their renunciation. Hill Beachy then claimed the bid of Cornelius C. Beekman for \$158,000 under a written assignment, which he filed, and a contract was awarded him thereon. Beekman afterward admitted that he had withdrawn his bid, but denied that he had made an assignment to Beachy. The next contractor above him was Charles M. Cartwright, at \$170,000, and he was active in trying to secure the rejection of the bid of Hill Beachy. Cartwright and his supporters came on here and made their proof, and it was established satisfactorily to my mind that the paper had not been signed by Beekman, and so the contract was set aside with the concurrence of Beachy. He explained afterward that the paper had come to him by mail and that he had believed it was genuine, but that he had since satisfied himself it was not genuine, and, therefore, he filed an application that he be relieved from the contract obtained on the faith of that paper. Then a fierce controversy arose on this route. Cartwright contended that I ought to go up the line of bidders and take his bid at \$170,000. I said, "No; I have the evidence of Beachy, an old and experienced contractor, that the service ought to be done for \$158,000 at the highest. Your bid is too high, and I shall stop just at that point." There was quite a contention about it. The Senators from Oregon and others insisted that I should give the contract to Cartwright at his bid, but I said no. I contended, as I have already said, that I was bound under the law of 1870 to the bidders, but not to the bids, and I said to those parties, "You are all in town here, gentlemen, and you shall have an opportunity to bid for that contract, and there shall be no mistake about it, because you shall place the bids in my own hands." They did bid, Carr, Cartwright, and Bradley Barlow. Carr's bid was \$150,000; Cartwright's \$136,000; and Barlow's \$134,000. Barlow, being the lowest bidder, got the contract, which was accepted by him October the 13th, 1870.

By Mr. CANNON:

Q. The construction by which you held that you were bound to the bidders but not to the lowest bid was a construction that you placed on the joint resolution of 1870, which was to apply to the letting of that year only, and not to the Department generally?—A. It was a special law passed for that year.

Q. And that construction, as I understand you, whether right or wrong, resulted in a

contract with Barlow at \$134,000, instead of \$170,000, which you would have had to pay Cartwright if you had followed up the list?—A. Precisely; a saving of \$36,000 per year or \$144,000 for the contract term.

Q. What was the price you were to pay Beachy?—A. One hundred and fifty-eight thousand dollars.

By Mr. WALKER:

Q. You offered it to Beachy at that price?—A. I did; because up to that time there had been no evidence before me, except the previous contract with Carr, as to what was a fair compensation for the service; and he was entitled to it at any rate, because, under the assignment of the Beekman contract, he was the lowest of the bidders who had tendered for the service up to that time.

By Mr. CANNON:

Q. What was Carr's compensation under the contract prior to that?—A. Two hundred and six thousand dollars. I still think that I was right in saving that \$144,000 to the Government, and that is the way that Barlow got the contract.

By Mr. LUTTRELL:

Q. During that controversy was it not charged that forgery had been perpetrated by some one, and were not some of those contractors arraigned before you on that charge?—A. Certainly; that was the matter of Hill Beachy.

Q. Were not some of those contractors placed in the black-book in your office which contains the names of defaulting contractors?—A. Yes. This man, Allman, I met afterward, and told him that while I remained in the Department he need not expect to get a contract there, because he had behaved in bad faith.

Q. Were there any others?—A. Not that I am aware of, except Hill Beachy, and he died soon afterward.

Q. Were there any charges made to your Department about that time, that certain of those contractors had bought off bidders?—A. Yes, sir; that thing was talked about among us, and when we saw how the facts transpired in regard to that route we knew that there must be something of that kind going on. We found a whole line of men retiring one after another; and it was very apparent in the case of Hill Beachy, when four or five men who had been very anxious to get that contract retired and Beachy came in on Beekman's bid, that there was something wrong; but I had no personal knowledge of it. I told the committee, in 1872, that all their work would be fruitless unless they went into that matter; but I had no positive knowledge of it at all. I never dreamed that there was money being paid to stop the investigation of 1872, until I saw in the newspapers the testimony that came out here the other day.

By Mr. AINSWORTH:

Q. Was it the right of a bidder to substitute another person on his bid?—A. It was admitted that year, but it was found to be a bad practice, and after that year it was discontinued. Now, at this point the first question that arises is as to the railroad service. Mr. Underwood has testified that we neglected to avail ourselves of the railroad which was completed about the time that this contract was ready to go into operation. There were two railroads constructing there—one from California northward, known as the California and Oregon, and the other from Oregon southward, known as the Oregon and California. By the time the mail-route was ready to go into operation, on the 1st of July, 1870, there had been a portion of the road completed from Portland southward—Ben. Halliday's road—and there had been a portion of the road completed northward, but there had been no union of the roads. We immediately put the service on the southern road, and attempted to put it on the northern road. Mr. Underwood wrote the Department that a portion of that road had been completed; whereupon General Smith, at my instance, wrote a letter to Ben. Halliday, (which will be found in the record appended,) offering to pay \$100 per mile per annum. Mr. Halliday declined the service, and declined it positively, and never would take the service during the whole of that contract-term. Now, here is a letter from Underwood showing that he knew all about our efforts to get Halliday to take the service, although he testified that the Department did not make any effort to have the railroad take the service. The fact is that at that time there was no law by which the Department could compel any railroad, even though built entirely by the aid of the Government of the United States, to take mail-service, and, until two years afterward, when I urged upon Congress the passage of some such law, there was no law by which the Department could compel the carrying of the mail over either the Union Pacific or the Central Pacific. I urged the committee to impose a penalty for every day they refused, or else to make it a forfeiture of their appropriations *in futuro*; but the committee said they would not go so far as that, and they merely declared that it was the duty of any railroad, constructed in part by the United States, to carry the mails. The California and Oregon company objected to our compensation, but they agreed to continue the service, and leave the matter of compensation to subsequent adjustment. They did their best to get us to pay a higher compensation, but we told them that was the limit of our power, and their only resort was to Congress; and they

finally did accept the compensation as adjusted. The trouble was that the compensation was fixed by law, and the utmost compensation we could offer to a railroad of that class was \$100 per mile; and for us to have transcended the law and given one railroad \$10 or \$15 more than they were entitled to would have been to invite all the railroads in the country to come down on us. The only thing left for us was to execute the contract as advertised, and to require Bradley Barlow to be responsible for the transportation of the mails from Portland to Oroville, or between different points from time to time, as the railroad progressed.

By Mr. CANNON:

Q. As a matter of fact, do you know whether Barlow hired the railroad to carry the mail for him?—A. I do not know as to that, except from a paper which I saw among the records of the Post-Office Department. The mails, I am told, went on the cars, and my belief is that Barlow had some arrangement with the railroad company by which he secured their services. He did, I believe, in some way satisfy the upper company until the beginning of the next contract term. We had no redress.

By the CHAIRMAN:

Q. Halliday and Bradley Barlow had an arrangement between themselves?—A. I believe they had. I understand the mails went on the railroad, but I had no official evidence of any arrangement between Halliday and Barlow.

By Mr. AINSWORTH:

Q. What amount did you pay the lower company?—A. I think it was \$100 per mile. It may have been that we paid them a little more after the last adjustment. We paid by the weight of the mail. The next order passed in the Oroville and Portland route is the order of May 3, 1871, changing the course of the route, which is set forth in the record.

By Mr. CANNON:

Q. While that change increased the pay \$8,000, did you upon those recommendations make the change in good faith, because you supposed it ought to be done?—A. I did, undoubtedly. The next order is that of June 8, 1872. That order I resisted a long time, until I felt it my duty to yield to the very urgent recommendations that will be found in the record of the case, herewith submitted. The calculation is set forth, showing how that acceleration was made. I have carefully excluded that portion of the route covered by Ben. Halliday's line, so that it shows only the part which was run by stages.

By Mr. AINSWORTH:

Q. The trains were running from Yreka?—A. Yes, sir; by that time.

Q. You were not paying Barlow upon that part of the route?—A. No, sir; it had shortened the whole route from five hundred and fifty miles down to three hundred and eighty miles, upon which alone I made this calculation to increase.

By Mr. CANNON:

Q. In pursuance of those recommendations you increased the schedule, allowing pay for that portion of the route which was traveled by stage alone, and not that portion where they ran on the railroad, although the contractor had the railroad carry the mails for him?—A. I expressly excluded that part; all the calculations are shown here in detail.

By the CHAIRMAN:

Q. You excluded the railroad at both ends?—A. O, yes; because the lower part we were running, and the upper part he was running. These calculations were made at the time and filed. The rule for an increase of pay in such a case is not pro rata upon the contract-price; it is only pro rata upon the additional amount of stock and carriers required.

By Mr. CANNON:

Q. My recollection is that Mr. Underwood's report was that he could find no evidence that the railroad on the south end of the route was carrying the mail for the Government; now the records do show that fact?—A. Undoubtedly they do.

Q. Therefore in that Mr. Underwood was mistaken?—A. Entirely mistaken. We were not paying them, because they refused to take pay, but they were carrying the mails.

I have here a full history of that route and the action of the Department upon it, which I beg to submit as a part of my testimony.

CALIFORNIA.

Contract term from October 1, 1867, to June 30, 1870, under advertisement of April 4, 1867.

Route No. 14782—Lincoln to Portland, Oregon, 624 miles and back, seven times a week.

	Per annum.
Contractor: Jesse D. Carr,	\$196,000
Added under order of June 5, 1868.....	10,000
Making the pay.....	206,000

Order of Jane 5, 1868.—Order an increase of expedition, so as to make the running-time only five and a half days for eight months, and eleven days for four months of the year, and allow \$10,000 additional per annum, the Department being satisfied that this additional compensation does not bear a greater proportion to the additional stock or carriers rendered necessary than the sum stipulated in the original contract bears to the stock and carriers necessarily employed in its execution.

Order to take effect July 1, 1868.

CALIFORNIA.

Contract term from July 1, 1870, to June 30, 1874.—*Advertisement of September 30, 1869.*

Route No. 14773.—Oroville to Portland, Oregon, 566 miles and back, daily.

The following were the bids received :

	Richard Lambert.....	\$197,000	
	Nelson Sargent.....	189,000	
	Geo. W. Grayson.....	188,000	
	Nelson Sargent	179,000	
	Bradley Barlow.....	177,000	
		147,000	6 times a week.
		97,000	O. to S., 6 t. a w., S. to E. C. 3 t. a w. E. C to P. 6 t. a w. schedule pro- posed.
Circular sent September 5, 1870,	Jesse D. Carr	175,000	
	Anderson Arnott	174,000	No guarantee or certificate.
Circular sent September 5, 1870,	Charles M. Cartwright	170,000	
Accepted, September 6, 1870.	Cornelius C. Beekman	158,000	
	Chas. M. Cartwright.....	155,000	No certificate.
Circular sent September 5, 1870,	Henry Wadsworth	154,000	
	Arthur St. Clair Abner and Samuel T. Leet	144,000	
Circular sent September 5, 1870,	Wm. K. Ish.....	137,000	
Circular sent September 5, 1870,	John T. Gilmer and Salisbury	98,400	
	John Allman	95,900	6 times a week.
Accepted March 14, 1870.	Theodore Lee.....	80,000	
	Grant I. Taggart	25,000	Oroville to Shasta. Schedule proposed.

[Copy of circular.]

POST-OFFICE DEPARTMENT,
Washington, D. C., May 11, 1870.

SIR : The first section of a joint resolution of the Senate and House of Representatives of the United States, approved by the President, May 5, 1870, provides, "That the Postmaster-General be, and he is hereby, authorized, in any case in which he may deem it necessary, to require accepted bidders under the advertisement of September 30, 1869, inviting proposals for carrying the mails of the United States in the States and Territories above mentioned, to execute contracts and return them to the Department at an earlier period than the 1st day of July, and at the discretion of the Postmaster-General, as early as the 1st day of June, 1870." (The States and Territories alluded to are, California, Oregon, Nevada, Washington, Idaho, Montana, Wyoming, Utah, and Arizona.)

In pursuance of the authority vested in me by this joint resolution of Congress, I hereby require you to execute, with two sufficient sureties, the contracts for mail-route No. 14773 in the State of California, accepted to you March 14 last, under advertisement of September 30, 1869.

The contracts are in the hands of the postmaster of your place of residence, and they are to be executed under his direction, and in accordance with the instructions from the Department, and are to be returned as soon as practicable, but no later than the 10th of June next.

And you are hereby notified that in case of your failure to execute and return the said contracts on or before the day last named, your bid will be disregarded, and the Department will at once proceed to make such other arrangements for the transportation of the mails on the route mentioned, as the interests of the service may require.

Respectfully,

JOHN A. J. CRESWELL,
Postmaster-General.

THEODORE LEE,
Salt Lake City, Utah.

The following is a copy of telegram to John H. Wickizer, special agent, Salt Lake City Utah :

"POST-OFFICE DEPARTMENT,
" Washington, D. C., April 18, 1870.

" The lowest bidder for mail-service on route No. 14773, Oroville, Cal., to Portland, Oreg., is Theodore Lee, of Salt Lake City, at \$80,000 per annum. His guarantors are W. H. Richardson and W. A. Tilloson, also of Salt Lake City. Inquire particularly as to the entire responsibility of these parties and report immediately. The certificate of sufficiency is signed by A. Johnson, postmaster at Springville, Utah.

" JOHN A. J. CRESWELL,
" Postmaster-General."

The following is a copy of the reply to the above telegram, dated Salt Lake City, Utah, April 25, 1870 :

" No such persons as Theodore Lee, W. H. Richardson, or W. A. Tilloson, living in Salt Lake City.

" J. A. WICKIZER,
" Special Agent."

The following is a copy of letter from Kiskadden, late president Miners' National Bank, relative to the irresponsibility of Theodore Lee :

" WASHINGTON, D. C., April 19, 1870.

" DEAR SIR : In compliance with the request to state to you in writing what I may know of Mr. Theodore Lee, of Utah, as to his ability to perform the service of a large mail-contract, I have to say that I have been acquainted with Mr. Lee for the last three years, and have looked upon him as a man without means, no capital beyond a few hundred dollars, a man who takes care of stock for other parties, though he may have a few cattle of his own; and as to his sureties I know nothing, having resided in Salt Lake the last four years. I think I know all the men of capital there, but I know no such men as W. H. Richardson and W. A. Tilloson.

" Yours, respectfully,

" W. A. KISKADDEN,
" Late President Miners' National Bank.

" Hon. JOHN A. S. CRESWELL,
" Postmaster-General, Washington, D. C."

Theodore Lee failed to execute his contracts with sureties, and return them to the Department within the time prescribed under the resolution of Congress, approved May 5, 1870.

Theodore Lee, accepted bidder, at \$80,000 per annum.

The accepted bidder failed.

Postmasters at the ends of routes are instructed as follows, viz : " In case of failure of contractor, temporary mail-service is to be employed only by the postmaster at ———, that being the office at the head of the route."

Accordingly the postmaster at Oroville employed Jesse D. Carr, temporarily, at \$700 per day. Service was performed from July 1 to September 6, 1870, and recognized October 13, 1870, at that rate.

On failure of Theodore Lee, the service was claimed in person by Mr. M. Salisbury, of the firm of Gilmer and Salisbury, at their bid of \$98,400, as being the lowest regular bid. It was claimed also, in person, by John Allman at his bid of \$95,900, which was made for six times a week service, with the following statement without date, accompanying it. He claims to have filed it the morning of the 1st of March, before the bids were opened :

" Hon. GILES A. SMITH,
" Second Assistant Postmaster-General :

" I have the honor respectfully to represent that, on the 1st instant, I filed in your Department proposals for carrying the United States mail from Oroville, Cal., to Portland, Oreg., route No. 14773, and I fear my bid was for six trips per week ; if such is the case, I beg to say that it was a mistake ; my intention in the bid was to carry a daily mail as advertised for by the Postmaster-General. I am ready to furnish a bond and security for complying with the terms prescribed for a daily mail at the same price stated in my bid, to wit, ninety-five thousand nine hundred dollars (\$95,900.)

" Respectfully, yours,

" JOHN ALLMAN."

The following is a copy of affidavit of John Allman :

" I, John Allman, on oath do solemnly swear that, on the 1st day of March, A. D. 1870, at half past 2 o'clock p. m., I handed a letter to the Second Assistant Postmaster-General of the

United States, which letter contained a correction of my bid of the same date, offering to carry the United States mail on route 14773, between Oroville, Cal., and Portland, Oreg., six times a week service, for the sum of \$95,900 per annum, under the advertisement of the Postmaster-General, of September 30, 1869. This letter was mailed to correct an error made in the regular proposal filed at the Department the same day, which error consisted in proposing to carry the mail on said route but six times a week, when it should have been and was intended to read seven times a week, in the original proposal filed.

"I subsequently handed a letter to the Second Assistant Postmaster-General, more fully to explain the cause of the error in said proposal, and he said the first letter was sufficient, and I understood him to say that if I was the lowest bidder, I should get the contract.

"JOHN ALLMAN.

"Subscribed and sworn to before me this 15th day of June, 1870.

"JOHN C. COX, JR."

"DISTRICT OF COLUMBIA,

"County of Washington, ss :

"I, John Davis, on oath say that I was present in the room of John Allman, on the 1st day of March, A. D. 1870, and that I heard him read the contents of a letter addressed to the Second Assistant Postmaster-General. The contents of the letter aforesaid being a correction of a mistake made in a mail-proposal.

"JOHN DAVIS.

"Subscribed and sworn to before me this 19th day of June, A. D. 1870.

"JOHN C. COX."

Copy of affidavit of Thomas Stoey.

"I, Thomas Stoey, do solemnly swear that, on the 1st day of March, 1870, John Allman handed me a letter to the Second Assistant Postmaster-General; that was before 3 o'clock p. m. of the above date. I cannot swear as to the contents of the letter, but Allman told me that he made a mistake in his proposal, and that the letter was to correct it. He also told me it was the last proposal he had, or he should have made another regular bid for the route.

"THOMAS STOEY.

"Subscribed and sworn to before me on this 16th day of June, 1870.

"JOHN C. COX."

Copy of affidavit of William Kiskadden.

"WASHINGTON, D. C., June 16, 1870.

"DEAR SIR: Mr. John Allman asks me to state to you what I know about his having filed a letter in your office to correct an error in his bid proposing to carry the United States mail on the route from Oroville, Cal., to Portland, Oreg.

"I cannot say of my personal knowledge that such a paper was filed, but that, in frequent conversation on the subject of mail-contracts with Mr. Allman, he mentioned to me the fact that he had put in a bid on said route, of \$95,900, for six-times-a-week service, and that he made an error in saying in his bid, six times a week, when his intention was to perform the service daily, and that he had seen the error as soon as the bid was made, and that he handed into your office a letter before 3 o'clock p. m. of March 1 last, correcting the error. I cannot give the date of the first conversation on the subject, but it was as early as the 8th or 10th of March last.

"Yours, respectfully,

"WM. KISKADDEN.

"Hon. JOHN A. J. CRESWELL,
Postmaster-General.

"Sworn before me this the 16th day of June, 1870.

"JOHN C. COX, JR."

The following statement was presented by Messrs. Gilmer & Salisbury at the hearing, June 22, 1870, viz :

"WASHINGTON, June 21, 1870.

"SIR: The accepted bidder on route No. 14773, California, having failed to file his contract as required by your circular-letter of May 9, 1870, the undersigned being the next lowest bidders on said route, and therefore, under a long-established rule of the Department, entitled

to the contract, were confidently expecting the usual official notification from your Department, when we were surprised to learn from yourself on Saturday last that said contract had just been awarded to another party. But your attention having been requested to a certain clause of the instructions accompanying your advertisement of September 30, 1869, inviting proposals for carrying the mails in California, Oregon, &c., and which calls the special attention of all bidders to the effect of modifying a bid, you promptly decided to re-open and reconsider the case on this day, at 3 p. m., and the parties interested were notified to be present; we are accordingly before you, respectfully but earnestly to claim the contract for conveying the United States mails daily between Oroville, Cal., and Portland, Oreg., route No. 14773, for four years from the 1st of July proximo, at our bid of \$98,400 per annum.

"We maintain that Mr. Allman's bid of \$95,900 for six-times-a-week service, subsequently explained by letter to be intended for daily service, is a modification and constitutes it a new bid, and that, therefore, under your instructions accompanying the advertisement referred to, the same cannot interfere with regular competition.

"We are prepared to file contracts for this service, and, as old contractors, beg to refer to the records as a guarantee of what may be expected from us as public carriers of the mail.

"Every effort on our part shall be exerted to give entire satisfaction to the Department and to the people.

"Very respectfully, &c.,

"GILMER & SALISBURY.

"Hon. J. A. J. CRESWELL,

"Postmaster-General."

The Postmaster-General notified the parties that he would hear them in joint meeting on June 22, 1870.

United States Senator James W. Nye, and ———, attorney, appeared with Mr. John Allman; Delegate Wm. H. Hooper, of Utah Territory, with Mr. M. Salisbury, of the firm of Gilmer & Salisbury. After hearing both sides, the Postmaster-General awarded the contract to John Allman.

The following order was made June 23, 1870:

"Theodore Lee, the accepted bidder, having failed to execute contracts with sureties, and return them to the Department within the time prescribed under the resolution of Congress, approved May 5, 1870, although due notice was given him by circular on the 9th of May, 1870, and John Allman, agreeing to perform the service daily at his bid for \$95,900; therefore, set aside the bid of Theodore Lee, and enter into contract with John Allman, of San Francisco, Cal., at \$95,900, for daily service from July 1, 1870, to June 30, 1874, the failing bidder and his guarantors being liable."

The contracts were drawn on that day, and handed to Mr. Allman by the Acting Second Assistant Postmaster-General, with instructions as follows: "You will have these contracts executed with good and satisfactory sureties, and returned to this office with as little delay as possible; then, if required, you will be allowed from thirty to sixty days to stock the road, the service to commence as soon as you are prepared." Allman left with his contracts on that day.

July 12, 1870, he telegraphed from San Francisco as follows: "I will file my bond tomorrow or day after."

August 15, 1870, the following telegram was sent him: "If contracts on route No. 14773 are not on file by the 1st day of September next, the Department will contract with other parties for the service."

August 20, 1870, the following reply was received: "Please have contracts on file by 1st of September next."

August 29, 1870, the following telegram was sent him: "If your contracts are placed in the hands of Special Agent Alfred Barstow, of San Francisco, on the 31st instant, with sureties satisfactory to him, they will be accepted by the Department."

The following was sent to Alfred Barstow same date: "If John Allman places in your hands on the 31st instant, contracts for service on Oroville and Portland route, satisfy yourself that the sureties are responsible men, and inform the Department without delay."

September 1, the following reply was received: "Allman has presented no contracts for Portland and Oroville service."

Under joint resolution of Congress, approved May 5, 1870, the Department on the 5th of September, 1870, mailed to bidders the following circular, viz:

"POST-OFFICE DEPARTMENT,

"Washington, D. C., June 20, 1870.

"SIR: Your name appears on the books of this Department as one of the bidders under the advertisement of September 30, 1869, for carrying the mail, from July 1, 1870, to June 30, 1874, on route No. 14782, Lincoln to Portland, Oreg., at \$—— per annum. The lowest bidder for this service having failed to execute contracts with sureties within the time required by law and usage, although due notice has been given him, it may become necessary for the Department to set aside his bid, and enter into contract with one of the other bidders, as authorized by the second section of a resolution of Congress, approved May 5, 1870, providing for the execution of contracts, and for other purposes.

"You not being the lowest bidder, and consequently no action having been taken on your proposal within the time for making decisions named in the advertisement, you and your guarantors are released from obligation to perform the service, but you are requested to say, immediately if you will, (should your services be needed,) now accept the contract at the sum of your bid, and execute contract in the usual form.

"This circular is addressed to all the bidders for the route in question, whose bids are not excluded as being too high, and a seasonable notice will be given to the person, if any, whose services may be required.

"Respectfully, &c.,

"JOHN A. J. CRESWELL,
"Postmaster-General."

The following responses were received, on file :

"WASHINGTON, September 6, 1870.

"SIR: The contract on route No. 14773, from Oroville, Cal., to Portland, Oreg., not having been awarded to us, we respectfully decline the service.

"Amount of bid, \$98,400.

"GILMER & SALISBURY.

"Hon. GILES A. SMITH,

"Second Assistant Postmaster-General."

"WASHINGTON, D. C., June 27, 1870.

"SIR: My bid on route No. 14773, from Oroville, Cal., to Portland, Oreg., not having been accepted by the Post-Office Department, therefore I desire and would respectfully beg leave to withdraw.

"Amount of bid, \$137,000.

"WM. KISH.

"Hon. J. A. J. CRESWELL,

"Postmaster-General."

"WASHINGTON, D. C., September 6, 1870.

"SIR: Your letter of yesterday requesting to know (if our services should be needed) we would now accept the contract on route No. 14773, from Oroville, Cal., to Portland, Oreg., at the sum of our bid, and execute contracts, &c.

"We most respectfully state that the contracts not having been awarded to us at the late letting, and our attention having been turned to other business, we must decline to accept the same if offered to us at our bid.

"Amount of bid, \$144,000.

"Respectfully, &c.,

"DENVER & LEET.

"Hon. J. L. FRENCH,

"Acting Second Assistant Postmaster-General."

"YREKA, July 29, 1870.

"SIR: My bid on route No. 14773, from Oroville, Cal., to Portland, Oreg., not having been accepted by the Post Office Department, I now desire to, and do hereby, withdraw the same.

"Amount of bid, \$154,000.

"HENRY WADSWORTH.

"Hon. J. A. J. CRESWELL,

"Postmaster-General."

"JACKSONVILLE, OREG., July 25, 1870.

"SIR: Should the contract on route No. 14773, from Portland, Oreg., to Oroville, Cal., be awarded to me, I respectfully request that the contract be made with Hill Beachy in lieu of me.

"Very respectfully, your obedient servant,

"C. C. BEEKMAN.

"Hon. J. A. J. CRESWELL,

"Postmaster-General."

C. C. Beekman was the lowest bidder who responded favorably, the amount of whose bid was \$158,000 per annum, with request that contract be made with Hill Beachy.

Accordingly, September 7, 1870, the following order was made: Contract with Hill Beechy, of Elko, Nev., at C. C. Beekman's bid of \$158,000 per annum, from September 7, 1870, to June 30, 1874, making Theodore Lee and his guarantors liable.

The following telegram was received August 27, 1870 :

"Jesse D. Carr has purchased withdrawal of all bids on route No. 14773 up to regular bid of Charles M. Cartwright, for which he has paid \$60,000; offers Cartwright \$5,000 for his withdrawal; have positive evidence; Cartwright refuses to enter combination on any terms.

"JAS. B. UNDERWOOD,
"Special Agent Post-Office Department."

"Is Cartwright entitled to contract on foregoing accounts? Do you want Underwood in Washington with proof? Answer; important.

"GEO. H. WILLIAMS."

The following was received September 14, 1870 :

"Contract between Oroville and Portland has been awarded to Hill Beachy. Beachy is agent and partner of Carr's. Proofs will reach you by 19th instant.

"J. B. UNDERWOOD,
"Special Agent Post-Office Department."

The following telegrams were received :

"JACKSONVILLE, September 19, 1870.

"I have never authorized any person to take Oroville and Portland mail-contracts on my bid, or in my name. I signed simple withdrawal of bid; nothing more.

"C. C. BEEKMAN."

"SALEM, OREGON, October 10, 1870.

"C. M. Cartwright will insist upon his regular bid, under the late resolution of Congress. We believe, upon the faith, he is entitled to it.

"GEO. H. WILLIAMS.
"H. M. CORBETT."

"JACKSONVILLE, OREG., September 19, 1870.

"I never authorized any person to take mail-contract on my bid; I simply withdrew with understanding that no person should take it on my bid or in my name. Have been solicited number of times lately to let parties take it on my bid, but have positively refused. Examine papers in Department; there must be some swindle. Have telegraphed Mr. Creswell the facts. Use this if you choose.

"C. C. BEEKMAN.

"J. C. CARTWRIGHT,
"National Hotel, Washington, D. C."

The following is a copy of letter from C. M. Cartwright:

"WASHINGTON, D. C., September 20, 1870.

"SIR: Having compared a signature to a paper purporting to be a transfer or assignment of the bid of C. C. Beekman on route No. 14773 to Hill Beachy, dated July 25, 1870, with other signatures in my possession, known by me to be genuine signatures of the said C. C. Beekman, and from a dispatch received by me from the said G. C. Beekman, dated Jacksonville, Oreg., September 19, 1870, and hereby attached to and made a part of this statement, I charge the said statement, transfer, or assignment above named, dated July 25, 1870, to be a fraudulent transfer, and the signature thereto attached to be a forgery, and that the same was not made by the said C. C. Beekman, of Jacksonville, Oreg., and is not his genuine signature. And I would, therefore, respectfully ask that the contract awarded to the said Hill Beachy on the said transfer or assignment above named be suspended until the said matter can be investigated, and the Department be satisfied that said contract was properly awarded to the said Hill Beachy upon a legitimate transfer or assignment of the said C. C. Beekman's bid on said route.

"C. M. CARTWRIGHT,
"By his attorney in faith—
"J. C. CARTWRIGHT.

"Hon. J. A. J. CRESWELL,
"Postmaster-General."

The following is a copy of letter from J. B. Underwood, special agent Post-Office Department :

"EUGENE CITY, OREG., September 5, 1870.

"SIR: I have the honor to acknowledge receipt of your telegram of September 1, 1870, directing me to forward all papers and information I may have, in reference to route No. 14773. My first telegram to the Department was from Portland; I waited several days, and receiving no answer I did not procure the affidavits and papers that would substantially prove the assertions made in my telegram of August 28, 1870, but returned to this place. I was about to start for Portland this morning, for the purpose of securing necessary papers, but learn that Mr. John C. Cartwright was on his way to Washington with the papers and affidavits. I saw Mr. C. as he passed through this place on the stage, and he showed me the papers which I had seen before sending the telegram of the 28th ultimo, and an affidavit of E. Corbett, detailing the substance of facts which, I was informed, he was in possession of. Mr. C. declined to deliver the papers to me, as he said he intended to present them in person to the Department, and would probably reach Washington before any communication I might send would reach there.

I saw Mr. Jesse D. Carr to-day, and he informed me that Allman had mailed his bond, but added that he was very certain it would never reach Washington. He seemed to be in great glee over the idea of Allman's sending his bond, and seemed confident that he (Carr) had the contract for the next four years.

"The proofs to which I referred in my telegram of August 28th were, 1st, the letter of Mr. Carr to C. M. Cartwright, of July 11, 1870; 2d, his telegrams to H. M. Thatcher, his agent, under dates of August 3, August 8, and August 10; 3d, his letter to C. M. Cartwright, dated August 12; 4th, information given me by Mr. E. Corbett, the substance of which is comprised in his affidavit. I am well acquainted with Mr. Carr's signature, and am satisfied that the letters referred to are genuine.

"I have the honor to be, very respectfully,

"J. B. UNDERWOOD,

"Special Agent Post-Office Department.

"Hon. J. A. J. CRESWELL,

"Postmaster-General."

About the first of October, 1870, C. C. Beekman appeared in person before the Postmaster-General, and denied his signature on the acceptance on which contracts had been ordered with Hill Beachy.

The following is a copy of a letter received October 12, 1870:

"WASHINGTON, D. C., October 12, 1870.

"SIR: I respectfully ask that my contract with the Department, to carry the mails over route 14773, from Oroville to Portland, Oreg., be annulled from and after this date.

"Respectfully,

"HILL BEACHY.

"Hon. GILES A. SMITH,

Second Assistant Postmaster-General."

October 13, 1870, an order was made of which the following is an extract:

"Annul contracts with Hill Beachy, from October 12, 1870, releasing Theodore Lee, failing bidder, from operation of order of September 7, 1870, from date of annulment of Beachy's contract, October 12, 1870, made on his, Beachy's, application."

The Postmaster-General then verbally called on Messrs. Barlow, Carr, and Cartwright, those bidders present who had not withdrawn their bids or declined the service, to make propositions for this service for the balance of the contract term.

The following are the amounts of their proposals:

Jesse D. Carr, \$150,000.

Charles M. Cartwright, \$136,000.

Bradley Barlow, \$134,000. Accepted October 13, 1870.

October 13 the following order was made:

"Contract with Bradley Barlow, of Saint Albans, Vt., at \$134,000 per annum from date of beginning of service (to be reported by the postmasters at Oroville and Portland, and not later than December 1, 1870) to June 30, 1874, making Theodore Lee and his guarantors liable."

Jesse D. Carr was paid from September 7 to October 12, 1870, inclusive, at the rate of \$158,000 per annum, and from October 13 to November 30, 1870, inclusive, at the rate of \$600 per day.

	Per annum.
Contractor Bradley Barlow, at.....	\$134,000
Added, order May 3, 1871.....	8,861
Making the pay	142,861

Order of May 3, 1871.—“Curtail route to begin at Tehama, omitting Rock Creek and Pine Creek, decreasing distance fifty miles, and pay \$11,837 per annum; reduce service one trip per week between Red Bluff and Shasta, forty miles, decreasing pay \$1,353 per annum; six trips a week between Shasta and Callahan's Ranch, seventy-five miles, decreasing pay \$15,219 per annum; and one trip per week between Calahan's Ranch and Yreka, forty miles, decreasing pay \$1,353 per annum, pro rata. Embrace Battle Creek, Parkville, Millville, and Stillwater, Portuga, Berryvale, Edgewood, and Gazelle, between Red Bluff and Yreka, increasing distance one hundred and fifty-three miles and pay \$36,223 per annum pro rata.

“Allow \$2,400 per annum for six-times-a-week service between Oroville and Chico, twenty-four miles, not pro rata, and allow contractor \$8,861 additional per annum from May 8, 1871.”

This order was based upon the following recommendations :

To the Hon. SECOND ASSISTANT POSTMASTER-GENERAL,

Washington, D. C. :

The undersigned, residents on postal route No. 14773, from Oroville, Cal., to Portland, Oreg., most respectfully submit the following facts for your consideration :

First. We desire to call your attention to that portion of above-mentioned route lying between Red Bluffs and Yreka, particularly the portion over Scott and Trinity Mountains and the intervening valley, a distance of about eighty miles. The summit of these mountains where the wagon-road crosses is quite 6,000 feet above the level of the sea, and for at least four months of every year the wagon-road is very much obstructed by snow, and the intervening valley (Trinity Valley) is almost impassable from swollen streams and mud. In years past there have been frequent detentions of the mails on these mountains. Scarcely a winter passes that a detention of from three to five days does not occur, and, in a few instances, a detention of ten days.

Second. The weight of the through mail, that is to say, the mail from Red Bluffs and south of that point to north of Yreka, at the present time, (January, 1871,) exceeds 3,000 pounds daily over this route, and, as the railroad at either end of the route is built, thus shortening the time between Sacramento and Portland, the amount to be carried will naturally increase. We therefore feel justified in asserting that it will soon be impossible to transport the mail over this route during the winter season upon a single coach or the largest size passenger-wagon.

Third. We desire further to represent to you that from Red Bluffs to Yreka there is a shorter and a better road, a road known as the Sacramento River road. This road, starting from Red Bluffs, follows the present mail-route to the American ranch, and from that point following up the Sacramento River over low hills, with no high mountains, the highest elevation on the whole road being a little less than 4,000 feet, over 2,000 feet lower than either of the mountains of the present through-mail route. This road has never, to the knowledge of any one of the signers hereof, been obstructed by snow, and being, as before stated, something shorter than the road over which the mail is now carried, the time can be considerably shortened.

Finally, we consider this Sacramento River road the proper road for the through daily mail and the only one that will secure to us uninterrupted mail facilities.

In consideration of these numerous benefits that will arise therefrom we respectfully request that the daily mail from Oroville, Cal., to Portland, Oreg., be transferred from its present route, and be carried from Red Bluffs to Yreka, over the Sacramento River road.

We are all of the opinion that should this change of route be made that a lower grade of mail-service would afford all needed facilities to points between Red Bluffs and Yreka, on present route.

A. M. ROSBOROUGH,

District Judge.

E. & H. WADSWORTH, *Bankers.*

A. E. RAYNES, *P. M., Yreka.*

From my knowledge of the route mentioned above, I concur in recommending the change.
LELAND STANFORD.

RED BLUFFS, CAL., *January 22, 1871.*

The within change is recommended.

W. H. BAHNEY, *P. M.*

L. M. FOULKE,

Superintendent Internal Revenue.

SACRAMENTO, CAL., *January 28, 1871.*

In order to avoid the high altitude and shorten the distance between the terminus of one

road and the south end of the Oregon and California road, I most respectfully recommend the change above referred to.

A. N. TOWNE,
General Superintendent Central Pacific Railroad.

I concur in the propriety of the within and recommend the change.

H. W. CORBETT.

I also concur in the propriety of making the change.

Washington, March 27, 1871.

JAS. K. KELLY.

Having traveled the routes herein referred to, I unhesitatingly recommend the change.

S. GARFIELDE.

SAN FRANCISCO, CAL., *January 27, 1871.*

DEAR SIR: Mr. F. Cluggage this day presented a petition to me (which I signed) relative to the transfer of the carrying of the *through mail* from Red Bluffs to Yreka, and Sacramento to Portland, now carried over Trinity and Scott Mountains (on route No. 14773) to what is known as the Sacramento River route. I am thoroughly familiar with the merits of the respective routes, having resided many years in the northern part of the State, and traveled over both roads frequently. The Sacramento River road is several miles shorter and a far superior natural road. There are no high mountains thereon, while on the present route Trinity and Scott Mountains both have to be crossed, on which (the latter especially) the snow falls to a great depth. The statements set forth in the petition are true, and while the settlements known as Trinity Centre, Callahan's Ranch, Rough and Ready, (Etna post-office,) and Fort Jones should not be deprived of their present regular mail facilities, still, if an arrangement could be made by which the *heavy through mail* could be carried, via the Sacramento River road, it would very materially shorten the time on the through service, and far better insure the safe transmission of the mails during the winter seasons. And the Northern California Railroad (now completed to Tehama) is surveyed upon, and will unquestionably soon be built upon that route, so far, at least, as to render it the only practicable route for the *through service*.

With much respect, I have the honor to be yours, truly, &c.,

L. M. FOULKE.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General.

SACRAMENTO, *January 28, 1871.*

SIR: Mr. Frank Cluggage has asked my opinion as to the propriety and advantage of changing a part of route No. 14773, from Red Bluffs to Yreka. I would state that I consider the proposed change a good one, calculated to make the service more efficient, shortening the time and distance, and rendering the transportation of the mails more certain. The present route passes over a chain of rugged mountains, some of them very high, and during the winter months covered with snow, making the transportation of the mails an impossibility, often, for several days together, and when not so obstructed the road is one on which good staging time cannot be made. The road to which he asks to change is known as the Sacramento River road, is comparatively level, and is never obstructed by snow, and upon which good staging can be made all the year. The present route, in my judgment, never should have been selected. The change cannot fail to prove beneficial.

Very respectfully,

LELAND STANFORD.

Hon. C. COLE,
Washington, D. C.

Governor Stanford is doubtless well advised about this matter, and his judgment worthy of all consideration.

C. COLE.

I have looked over the memorial of Judge Rosborough and others, and recommend that it be granted. They are well known and estimable citizens.

E. CASSEDY.

The following order was made June 8, 1872:

"Order an increase of expedition so as to reduce the running-time from four days fourteen hours in summer and nine days four hours in winter, to three days in summer and five days in winter, and allow contractor \$45,945 additional per annum, being a sum equal to the actual increase in stock and carriers on that part of the route between Tehama and Eugene City, 382 miles, from July 1, 1872."

The foregoing order was based upon the following recommendations :

To the Hon. POSTMASTER-GENERAL OF THE UNITED STATES :

The undersigned citizens of Yreka, Siskiyou County, California, believing that you have no personal acquaintance with the topography, resources, and importance of that section of country lying along the mail-route from Tehama, in the State of California, to Portland, in the State of Oregon, and other sections of country supplied with their mails by that route, beg leave to call your attention to facts within our knowledge, which, in our opinion, call for a more speedy mail-service than that with which we are now supplied.

That part of the route lying between Tehama and the State line of California passes through and supplies the best mineral and agricultural districts in the State, and is well settled up with an enterprising and reading people ; thence, in Oregon, it passes through a very rich agricultural district, also well settled. All along the road, and its collateral branches, the country is dotted with thriving villages, many of them assuming almost the proportions of cities.

Not merely are the people immediately along the line of the mail-route interested in its service, but it is the main artery for supplying the whole country west of the Sierra Mountains, Northern California, and the Cascades in Oregon to the Pacific Ocean, with their mails.

Washington Territory also at the north—that important young Territory, soon to assume the position of a wealthy and populous State in the Union—is largely indebted to this route for its mail-service. At least two hundred thousand people get their mails over this road, and it is of frequent occurrence that we witness the large six-horse coaches used by the contractors in transporting the mails, rolling into our mountain-village loaded with the United States mail to such an extent that there is hardly a comfortable place in which to seat a passenger.

Then, again, since the completion of the overland railroad, there is a large and increasing influx of immigration, eastern people who have been accustomed to the rapid railroad service of the Atlantic side, and feeling its loss now ask and expect a more expeditious mail-service than that with which we are favored.

We therefore pray that such inducements be held out to the contractors as will enable them to furnish us as expeditious a mail-service as it is possible for horses to make. By this we do not wish to be understood as making complaint against the present contractor ; but, on the contrary, we must acknowledge that we are largely obligated for our mails many hours in advance of the schedule-time, and feel constrained to certify that he is doing, and ever has done, when the weather and the roads would permit, much more than he was required by his contract. We wish only to be understood that speed largely increases expense in mail-service ; more horses, more drivers, and more hostlers are required ; more stations to be kept up, and the gold and silver product of the country has fixed a high price upon everything ; wages of competent men rate high, supplies high, and, in fact, as speed increases, the expenses in furnishing the power accumulate ; and we have no right to expect that the contractor will bankrupt himself, as did the old California stage-company, in his efforts to comply with our desire for an increase of speed in our mail-service ; but believe that while our growing importance calls for such increased speed, the contractor should be fully paid by the Government for rendering it.

We therefore most respectfully ask that you give this subject your early attention.

A. E. PAYNES,
Postmaster Yreka.
C. H. PYLE,
E. & H. WADSWORTH,
Bankers, Yreka.
WM. STINE.
J. CHURCHILL.
J. R. EDSON.
E. B. EDSON.

WASHINGTON, D. C., April 8, 1871.

SIR : In view of the great importance of the mail-routes between San Francisco and Portland, Oreg., and the fact of the early completion of so much railroad between those points as to reduce the coach transportation of the mails to a distance but little over four hundred miles, thus, in a great measure, superseding the ocean mail-service to Oregon, we recommend a reduction of the schedule-time on route No. 14773, from Oroville, Cal., to Portland, Oreg., from the present schedule of five days in summer and ten days in winter, to three and a half days in summer and six and a half days in winter. Should this change be made, the people of Oregon and Washington Territories will get their California mails earlier by thirty-six hours in summer and eighty-four hours in winter, a matter of great importance when it is considered that nearly all their commercial transactions are with San Francisco. The building of the Northern Pacific Railroad from the Columbia River to Puget Sound,

with the rapid settlement of all that country, gives additional importance to this great route, and demands the most speedy transit of the mails over it.

Respectfully,

S. GARFIELDE.
H. W. CORBETT.
JAS. K. KELLY.
JAS. H. SLATER.

Hon. J. A. J. CRESWELL,
Postmaster-General.

The route mentioned is a very important one. I sign with pleasure.

E. CASSEDY.

This is a matter of much importance to both California and Oregon, whose business relations are intimate and extensive. It ought to be done.

C. COLE.

SAN FRANCISCO, *October 31, 1871.*

SIR: In view of the great importance of the mail-route between San Francisco and Portland, Oreg., and the fact of the early completion of so much railroad between those points as to reduce the coach transportation of the mails to a distance of but little over three hundred and fifty miles, thus, in a great measure, superseding the ocean mail-service to Oregon, we recommend a reduction of the schedule-time on route No. 14773, from Oroville, Cal., to Portland, Oreg., from the present schedule of five days in summer and ten days in winter, to three and a half days in summer, and six and a half days in winter. Should this change be made, the people of Oregon and Washington Territories will get their California mail earlier by thirty-six hours in summer and eighty-four hours in winter, a matter of great importance when it is considered that nearly all of their commercial transactions are with San Francisco. The building of the Northern Pacific Railroad from the Columbia River to Puget Sound, with the rapid settlement of all that country, gives additional importance to this great route, and demands the most speedy transit of the mail over it.

Very respectfully, &c.,

S. O. HOUGHTON.
A. A. SARGENT.
J. M. COGHLAIN.

Hon. J. A. J. CRESWELL,
Postmaster-General.

Contractor submitted the following proposition:

WASHINGTON, D. C., *November 28, 1871.*

SIR: I propose to carry the mail on route No. 14773, between Oroville and Portland, on a schedule of three days and twelve hours in summer, and six days and twelve hours in winter, in lieu of the present schedule of five days in summer and ten days in winter, for the additional annual compensation of sixty thousand dollars, and will commence the expedited service immediately.

Very respectfully, your obedient servant,

BRADLEY BARLOW.

Hon. J. A. J. CRESWELL,
Postmaster-General.

Also the following:

SIR: The undersigned proposes to perform the mail-service on route No. 14773, between Tehama, Cal., and Portland, Oreg., in seventy-two hours. The distance from Tehama to Eugene is about three hundred and eighty-two miles.

The present schedule requires a speed of 4.70 miles per hour in summer, and 2.35 miles an hour in winter. Allowing sixty hours for the summer time over the above three hundred and eighty-two miles, would require a speed of 6.36 miles an hour to be maintained all the time, day and night—allowing no time for changes of horses, which must be as often as once in ten miles, and in the mountain sections much oftener. This is as high a rate of speed as can be maintained.

This would allow twelve hours for the railroad-time from Eugene City to Portland, which is more time than is required for the trip. But it should be remembered that some allowances must be made for delays in the arrival and departure of trains, and the changes from stages to railroad, and the time occupied in changing the mails, and some allowance for arranging the running-time so as to make perfect and continuous connections between San Francisco and Portland.

I propose a schedule from Tehama to Portland, and, to perform it, must control the running-time of the trains between Eugene City and Portland. It would be no benefit to the

Department nor to the people of California and Oregon for me to perform the service on an expedited schedule over the distance between Tehama and Eugene City, unless regular and close connections were made with the railroads.

A failure to make the proper connections between the railroads and the coaches in this way would involve a loss of twenty-four hours' time; hence the necessity of the schedule from Tehama to Portland, thus compelling me to control the running-time of the railroad between Eugene City and Portland.

By the proposed schedule the time between San Francisco and Portland during the winter schedule of four months would be reduced five days, and in summer ten days.

Very respectfully, your obedient servant,

BRADLEY BARLOW.

Hon. J. A. J. CRESWELL,
Postmaster-General.

WASHINGTON, May 27, 1872.

WASHINGTON, May 27, 1872.

SIR: I submit the following estimate of the cost of expediting the mail-service on route No. 14773, between Tehama, Cal., and Portland, Oreg., from the present schedule of five days in summer and ten days in winter, from Portland to Oroville. A *pro rata* of time from Tehama to Portland would be practically about one hundred and ten hours for the summer schedule, and two hundred and twenty hours for the winter schedule. To reduce the time between Tehama and Portland in summer seventy-two hours and in winter to one hundred and twenty hours is the proposition. I will state what, in my judgment, it will cost additional to reduce the running-time from the present schedule between Tehama and Eugene City, the difference being about three hundred and eighty-two miles, to sixty hours in summer, and the proportionate time in winter.

On the three hundred and eighty-two miles in question the contractors have in actual use every day two hundred and forty-eight horses and forty-eight men, with the usual and necessary horses, and the usual complement of stock and property.

To maintain the increased expedition demanded, it would require one hundred and sixty additional horses and eighteen additional men, and with similar proportionate stock and property and extra animals.

This high rate of speed would require an increased expense in stock and carriers of more than sixty per cent. over the present cost, while the wear and tear of horses and vehicles would be made greater than sixty per cent. more than under the present schedule.

I will add that the average weight of the mail on this route daily is about 1,500 pounds, and is constantly increasing.

Very respectfully, your obedient servant,

E. F. HOOKER.

Hon. J. A. J. CRESWELL,
Postmaster-General.

WASHINGTON, May 28, 1872.

SIR: In explanation of my statement that the cost of expediting the schedule on 14773, as proposed, would exceed sixty per cent. of the present cost, I have to say: That I provide for the additional number of one hundred and sixty horses and eighteen men, which is the number actually needed to perform the expedited trips. This is something over fifty per cent. additional amount of stock and carriers necessary to perform a single trip on the expedited schedule. The amount of additional stock required to perform the expedited service for the term of the contract must necessarily be a matter of judgment as to the annual amount of wear and tear of the entire stock, including the original stock of two hundred and forty-eight horses, vehicles, harness, &c., and also the additional stock required to perform the expedited schedule. Now, I insist that the wear and tear of the entire stock is 60 per cent. greater in consequence of the increased expedition. That is to say, if the wear and tear and depreciation of the stock in consequence of use to perform the original schedule is 20 per cent. annually, then I say that the wear and tear and depreciation of stock in consequence of use in performing the expedited schedule would be more than 32 per cent. annually on the entire amount employed to perform the expedited schedule. We have the additional cost of keeping one hundred and sixty additional horses, and paying eighteen additional men, which, of itself, is over 50 per cent. additional on the present cost of the service. We have also the additional wear and tear on four hundred and eight horses, and the entire amount of stock employed in the service caused by the performance of the expedited service. We not only employ more stock, but the entire amount of stock used is subject to greater wear and tear and loss, thus requiring a much larger proportionate outlay to keep our stock good than it would on the original schedule.

In conclusion, I wish to state that, in my judgment, it will require more than 60 per cent. additional stock and carriers to perform the proposed expedited service, during the contract-term, than it would to perform the service in question according to the present schedule during the same time.

Very respectfully, your obedient servant,

E. F. HOOKER.

Hon. J. A. J. CRESWELL,
Postmaster-General.

CALIFORNIA.

Route 14773.—The additional compensation for expedited schedule, as per the foregoing, was based upon the following calculations, which show the increase in stock and carriers made necessary.

Stage-line.

1. Pay from Tehama to Eugene City, 382 miles, \$90,089.

3. Schedule 110 hours, 8 months = 880

222 hours, 4 months = 880

$1,760 \div 12 = 146$ hours average time.

4. Schedule reduced to 72 hours, 8 months = 576

Schedule reduced to 120 hours, 4 months = 480

$1,056 \div 12 = 88$ hours average time.

5. 146 hours average time for 516 miles, 108 for 382 miles.

miles. hours. miles. hours.

6. Proportion, 516 : 146 : : 382 : 108.

7. Reduced schedule, 516 : 88 : : 382 : 55.

hours. hours.

8. If 108 : 90,089 : : 65 : 149,686, inverse proportion.

9. Increase \$59,597 in time.

1. Whole amount of pay on route 14773..... \$142 861

Amount of side-supply deducted—

Red Bluff to Shasta, 40 miles, 6 t. a w..... \$8,117

Shasta to Callahan's Ranch, 75 miles, 1 a. w..... 2,537

Callahan's Ranch to Yreka, 40 miles, 6 t. a w..... 8,116

Oroville to Chico, 24 miles, 6 t. a w..... 2,400

21,170

Present pay on through-route..... 121,691

2. Number of miles of long and short roads given, with cost of long one, to find cost of long one to find cost of short one:

miles. dollars. miles. dollars.

516 : 121,691 : : 382 : 90,089.

382

243,382

973,528

365,073

516)46485962(90089 +

4644

4596

4128

4682

4644

Pay from Tehama to Eugene City, 382 miles short road, \$90,089.

5. The length of both roads given, with the time of the long one to find time of short one.

Average.

miles. hours. miles.

516 : 146 : : 382 : 108 average time.

146

2292

1528

382

516)55772(108+

516

4172

4128

6. Length of both roads given, with average time of long one, under reduced schedule, to find average time on short one.

$$\begin{array}{rcl}
 \text{miles.} & \text{hours.} & \text{miles.} & \text{hours.} \\
 516: & 88:: & 329: & 65. \\
 & & 88 & \\
 & & \hline
 & & 3056 & \\
 & & 3056 & \\
 & & \hline
 & & 516)33616(65+ & \\
 & & 3096 & \\
 & & \hline
 & & 2656 & \\
 & & 2580 & \\
 & & \hline
 \end{array}$$

6. An average of 65 hours will give 53 hours in summer and 88 in winter, increase \$59,597. An average of 73 hours will give 60 hours in summer and 100 in winter, with an increase of \$43,193.

The long time with the cost, and the reduced time, given, to find increased cost:

$$\begin{array}{rcl}
 \text{Hours.} & \text{Cost.} & \text{Hours.} & \text{Inverse proportion.} \\
 108: & 90089: & 65 & : \quad \$149,686 \\
 & 108 & & \\
 & \hline
 & 720712 & & \\
 & 90089 & & \\
 & \hline
 65)149686 & (149,686 - 90,089 = \$59,597. & & \\
 65 & & & \\
 \hline
 & 260 & & \\
 \hline
 & 629 & & \\
 & 585 & & \\
 \hline
 & 446 & & \\
 & 390 & & \\
 \hline
 & 561 & & \\
 & 520 & & \\
 \hline
 & 412 & & \\
 & 390 & & \\
 \hline
 \end{array}$$

Stock and carriers in actual use: horses, 248; men, 48.

Additional required to expedite schedule: horses, 160; men, 18.

The number of horses and men on hand, with the additional, given, to find the rate per cent. of increase :

Horses.

$$\begin{array}{r}
 248: 100: : 160 \\
 \quad 100 \\
 \hline
 248)16000(64.5+ \\
 \quad 1488 \\
 \hline
 \quad 1120 \\
 \quad 992 \\
 \hline
 \quad 1280 \\
 \quad 1240 \\
 \hline
 \end{array}$$

Men.

$$\begin{array}{r}
 48: 100:: 18 \\
 \quad 18 \\
 \hline
 \quad 800 \\
 \quad 100 \\
 \hline
 48)1800(37.5 \\
 \quad 144 \\
 \hline
 \quad 360 \\
 \quad 336 \\
 \hline
 \quad 240 \\
 \quad 240 \\
 \hline
 \end{array}$$

Increase in horses, 64.50 per cent
Increase in men, 37.50 per cent

$$\begin{array}{r}
 2)102 \\
 \hline
 51 \text{ per cent.}
 \end{array}$$

The present cost, present pay, and increased cost, given, to find increased pay :

$$\begin{array}{r}
 100: 90089:: 51: 45,945 \\
 \quad 51 \\
 \hline
 \quad 90089 \\
 \quad 450445 \\
 \hline
 100)4594539(45,945.
 \end{array}$$

We find as the result of these calculations, that in reducing the schedule on that part of the route between Tehama and Eugene City, three hundred and eighty-two miles, from an average time of one hundred and eight hours to sixty-five hours, the cost of the service proportionately would be increased 66 per cent., viz, \$59,597.

While taking as a basis the comparative increase in stock and carriers, as required by law, the increase in cost would be but 51 per cent., viz, \$45,945.

The following order was passed July 2, 1872:

"Order two additional trips per week between Shasta and Callahan's Ranch, seventy-five miles, and allow contractor \$5,073 additional per annum, *pro rata* from July 16, 1872."

Foregoing order was based upon the following recommendations and petitions:

COMMITTEE ON APPROPRIATIONS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 17, 1872.

DEAR SIR: The want is very great for a tri weekly service between Shasta and Callahan's in California, via French Gulch and Trinity Centre.

There is now a weekly service only, to the great inconvenience of several populous towns. I recommend increased service.

Respectfully,

A. A. SARGENT.

SECOND ASSISTANT POSTMASTER-GENERAL.

UNITED STATES SENATE,
Washington, June 19, 1872.

DEAR SIR: Let me call your attention to inclosed certified copy of joint resolution of the legislature of the State of California, in regard to a daily mail to a portion of the north of the State which is of growing importance. I am also much pressed by letter in favor of the same object.

I am satisfied that a great public necessity exists for the mail facilities asked by the California legislature; and I trust to be able shortly to say to my constituents that the Department has granted the memorial of our legislature.

Very truly, &c.,

E. CASSERLY.

Hon. JOHN L. ROUTT,
Second Assistant Postmaster-General.

A PETITION.

To Honorables J. A. J. Creswell, Eugene Casserly, H. W. Corbett, Joseph P. Kelley, A. A. Sargent, and James H. Slater:

The undersigned, residents of the counties of Trinity, Shasta, and Siskiyou, in the State of California, most respectfully represent that the interests of the public are seriously injured by the recent action of the Post-Office Department, transferring the daily mail between Oroville, Cal., and Portland, Oreg., from the Shasta and Yreka route to the Sacramento River route, where the population is less than one-tenth of that of the old route, thereby depriving the people of the mail facilities which they have enjoyed for the past seventeen years, and greatly impeding the commercial and other interests of Trinity, Shasta, Siskiyou, and Klamath Counties.

Wherefore, your petitioners most respectfully represent that the mass of the population of the counties named are very much dissatisfied with the change, and cannot but believe that the matter must have been misrepresented to the Department, and that an examination will satisfy the Department that the true interests of the public service will be subserved by the re-establishment of a daily mail between Shasta and Yreka.

And to this end your petitioners do humbly pray.

Signed by 880 citizens of Trinity, Shasta, and Siskiyou Counties.

Assembly joint resolution No. 24, in reference to a mail-route from Red Bluff, &c.

Whereas the Congress of the United States did, on or about the — day of —, A. D. eighteen hundred and fifty-five, establish, by act, a daily mail-route from Lincoln, California, via Red Bluff, Shasta City, Trinity Center, Callahan's Ranch, and Fort Jones, to Yreka, and the said daily was carried over said route until the year eighteen hundred and seventy-one, about sixteen years, during which time delays of not more than three days at any one time occurred; and whereas a change was made from the route above described to the "Sacramento River route," about the middle of May, eighteen hundred and seventy-one, during which time delays of ten and fifteen, and as high as twenty-three, days have occurred in transporting the mail over this route since the first of December, eighteen hundred and seventy-one, and there has been no mail whatever carried between Trinity Center and Callahan's Ranch, as it was contracted for by the company now carrying the mails, since said twenty-eighth day of May, eighteen hundred and seventy-one, and a party desiring to send a letter from Trinity Center to Callahan's Ranch, a distance of thirty-two miles, must send such letter south one hundred miles, thence northeast one hundred and sixty miles to Yreka, thence southwest forty-five miles to Callahan's Ranch, a total distance of three hundred and five miles; and whereas the census report shows a population of twenty-four thousand and seventy inhabitants in the counties of Shasta, Trinity, Klamath, Siskiyou, Del Norte, and Humboldt, who heretofore have received their mails over the route which was established as a daily route in eighteen hundred and fifty-five; and whereas the increase of travel and of business make it necessary, for public convenience, to have both the Sacramento River route and the route via Red Bluff and Shasta to Callahan's Ranch and Yreka in active operation, and for mails to be carried over them both: Therefore,

Be it resolved by the assembly of the State of California, (the senate concurring,) That our Senators in Congress be instructed, and our Representatives requested, to use their influence to procure the establishment of a daily mail from the town of Red Bluff, via Cottonwood, Shasta City, Whiskytown, Tower House, French Gulch, Trinity Valley, Trinity Center, New York House, Callahan's Ranch, Ohio House, Hurtstrand's Station, Etna Mills, Crystal Creek, Scott Valley, Fort Jones, Gordon's Mills, and Forest House, to Yreka.

Resolved, That his excellency the governor be requested to forward a copy of these resolutions to the Postmaster-General of the United States and to each of our Senators and Representatives in Congress.

P. J. HOPPER,
Speaker of the Assembly pro tempore.
R. PACHECO,
President of the Senate.

Assembly joint resolution No. 24, in reference to a mail-route from Red Bluff, &c.
Passed the assembly February 12, A. D. 1872.

STATE OF CALIFORNIA,
Department of State.

I, Drury Melone, secretary of state of the State of California, do hereby certify that the annexed is a true, full, and correct copy of assembly joint resolution No. 24. Passed the assembly February 12, 1872. Passed the senate February 19, 1872. Now on file in my office.

Witness my hand and the great seal of the State at office, in Sacramento, California, the 1st day of March, 1872.

[SEAL.]

DRURY MELONE,
Secretary of State,
By H. H. RUSSELL,
Deputy.

The following correspondence was had in relation to the railroad service on the lines of the Oregon and California and the California and Oregon Railroad Companies during the year 1870 :

PORTLAND, OREG., September 24, 1870.

SIR: I to-day telegraphed you that the Oregon and California Railroad Company would be ready to carry the mail between this place and Salem, on route No. 14773.

The mail has been carried on the cars for about a month under a private arrangement between the contractor and the railroad company, and I have been obliged to give most of my time to a personal supervision of the mail on the cars, as the line of railroad does not pass directly by most of the way-offices. The road is being rapidly forwarded, and will be completed for one hundred miles by January 1, 1871.

The legislature is now in session at Salem, and it is important that the service between Portland and Salem be perfected as soon as possible. I have to-day recommended to the appointment office the names of proper parties to be appointed route-agents.

I have the honor to be your obedient servant,

JAMES B. UNDERWOOD,
Special Agent Post-Office Department.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General.

SPECIAL AGENCY POST-OFFICE DEPARTMENT,
FOURTH DISTRICT, SIXTH DIVISION, CALIFORNIA AND NEVADA,
San Francisco, July 8, 1870.

SIR: The California and Oregon Railroad is now open to Chico, about thirty miles north of Oroville. By sending the Portland mail by this road one day in time will be gained. There are two post-offices between Oroville and Chico, but the services between the two latter offices can be decreased to once a week. If the Portland ? shall be sent to Chico by rail, I shall then recommend that the route-agent now running from Davisville to Marysville be transferred, and run from Sacramento to Chico.

Respectfully,

ALFRED BARSTOW,
Special Agent Post-Office Department.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General, Washington, D. C.

POST-OFFICE DEPARTMENT,
OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., September 30, 1870.

BEN HOLLADAY, Portland, Oreg.:

The Department is informed that the Oregon and California Railroad is completed to Salem, and ready to transport the mails from Portland to that place. It is the custom of the Department to place service on new railroads this side of the mountains, at \$50 per mile per annum, until the pay can be adjusted by weight of mails conveyed, &c.

The Department, however, will allow, in the case of the Oregon and California Railroad, \$100 per mile per annum, subject to re-adjustment whenever the company may desire it, by weighing mails, &c.

You are requested to furnish distances, as per circular inclosed, with acceptance of the offer, and an order to contract will be made.

GILES A. SMITH.

To the above the following reply was received :

OFFICE OF THE OREGON AND CALIFORNIA RAILROAD COMPANY,
Portland, Oreg., October 18, 1870.

DEAR SIR: Your letter of the 30th ultimo, inclosing railroad circular, was duly received.

The Oregon and California refuses to accept the amount offered by the Department for conveying the United States mails over its road, as it is entirely inadequate to the expenses incurred in performing the service. The proposition from the Department would even fail to pay the actual fares of the regular mail-agents required in handling and delivering the mails on board the cars.

It seems evident that the Department is not aware of the heavy expenses connected with running a railroad in this State, or I feel assured the offer of \$100 per mile would not have been made. In consideration of the above facts I respectfully decline the proposition.

Respectfully yours,

BEN HOLLADAY,
President.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General, Washington, D. C.

PORTLAND, October 22, 1870.

SIR: I have the honor to acknowledge the receipt of your favor of the 29th ultimo, in reference to the service on the Oregon and California Railway between Portland and Salem. On receipt of your letter I called on the president of the company and informed him on what terms the mail would be delivered to the company, but he declined to accept of the terms offered. It is very important that the mail be put on the cars with route-agents at as early a day as possible, as under the present arrangement the service is very unsatisfactory, and requires a great deal of care and attention on my part to insure the safe and sure transportation of the mails. The road will be completed to Albany, a distance of about eighty miles from Portland, in about two months. The president of the railroad company did not state any price at which he would carry the mail.

I have the honor to be your obedient servant,

JAMES B. UNDERWOOD,
Special Agent Post-Office Department.

Hon. GILES A. SMITH.

NEW YORK, December 14, 1870.

DEAR SIR: Yours of the 9th instant, stating that the Postmaster-General had made an order for the performance of mail service by the California and Oregon Railroad Company, on route 14703, from Roseville to Chico, via Lincoln, Sheridan, Wheatland, and Marysville, seventy-nine miles and back, twelve times a week by a satisfactory schedule, at the rate of \$5,925 per annum, (\$75 per mile,) and had directed the Auditor of the Treasury for the Post-Office Department to pay the company for service performed during the quarter ending September 30, 1870, at that rate, is duly received.

In reply I would say that we cannot afford to, and for this reason will not, carry the mail on that route for the price named, \$75 per mile per annum.

We will, however, continue to perform the service, and perform it well, without any compensation for the present, and await a settlement when the service performed is more fully appreciated by the Government.

I have the honor to remain yours with much respect,

C. P. HUNTINGTON,
Vice-President.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General, Washington, D. C.

By Mr. CANNON :

Q. Have you got the papers in relation to the Kelton and Dalles route?—A. Yes, sir; I have the record of that route here. This record shows an award to the same man, Theodore Lee, as the lowest bidder and the bids in both cases were certified by Aaron Johnson, late postmaster at Springville, Utah County, Utah. That gentleman was removed from said office by an order of March 17, 1870, and his successor was appointed upon the recommendation of Mr. Wickhiser, special agent. We advertised this route from Kelton to The Dalles, and the lowest bidder was Theodore Lee, who was accepted at \$75,000. He had until the 1st of July to put on the service regularly, but under this joint resolution of May 5, 1870, we gave him notice, and he was to appear by the designated day, June 10.

"July 26, 1870.—Theodore Lee, the accepted bidder, having failed to execute his contracts and return them to the Department by the 10th of June, as required by resolution of Congress approved May 5, 1870, all the bidders were notified under the same resolution to report immediately whether they would perform the service at their bid if called on. Hill Beachy being the lowest of the bidders who agrees to perform the service at his bid, requests that contracts be made with J. W. Parker, Owen Tuller, and L. Smalley Barlow; therefore set aside the bid of Theodore Lee, and contract with J. W. Parker, Owen Tuller, and L. Smalley Barlow, Bradley Barlow, of Saint Albans, Vt., agent, at Hill Beachy's bid of \$192,000 per annum from August 16, 1870, to June 30, 1874, the failing bidder and his guarantors being liable.

Contractors : Parker, Tuller and Barlow, Bradley Barlow, agent, Saint Albans, Vt.....	\$192,000
Order June 17, 1871.....	32,000
	224,000
Order August 8, 1872.....	5,000
	229,000

"September 23, 1870.—Recognize the service of John Hailey, of Boise City, Idaho, in conveying the mails from Kelton, by Boise City, to The Dalles and back six times a week, at the rate of \$216,000 per annum, from July 1, to August 15, 1870, and refer to Auditor to adjust and pay, making Theodore Lee accepted bidder and his guarantors liable.

"June 17, 1871.—Order one additional trip per week, and allow contractor \$32,000 additional per annum, from July 1, 1871, being pro rata.

"J. L. F."

The foregoing order was passed on the following recommendation :

"SIR : The undersigned represent that the route No. 16622, from Indian Creek (Kelton) to The Dalles, Oregon, 765 miles, is one of great importance, conveying the great through-mail from the East for the State of Oregon and the Territories of Idaho and Washington ; that the weight of the mails is rapidly increasing, and will continue to increase, as the commencement of the building of the Northern Pacific Railroad has given a great stimulus to immigration to all the area of country which this route supplies.

"That the present service upon 16622 is six times a week, and corresponded with the service upon the Union and Central Pacific Railroads until a recent date. But the service upon those railroads has been raised to *daily*, and the reasons for daily service upon the railroads have equal force in respect to daily service upon this most important route, which service can be had at a comparatively small increase of expense.

"Therefore, the undersigned respectfully and earnestly urge upon your consideration the importance of immediately putting daily service upon this route.

"Very respectfully,

"S. A. MERRITT,

"*Delegate Idaho Territory.*

"JAMES K. KELLY,

"*Senator from Oregon.*

"JAS. H. SLATER,

"*Member of Congress from Oregon.*

"S. GARFIELDE,

"*Delegate Washington Territory.*

"HEN. J. A. J. CRESWELL,

"*Postmaster-General.*"

These included the Senator from Oregon and all the Delegates who were interested in that route directly. It was a branch from the Central Pacific off to Oregon. We had a great controversy, also, over that route. I concluded to get rid of it and save the expense, and to satisfy the people with one line from the Pacific Railroad, running northward through Boise City into Idaho ; but I found that that would not be satisfactory to them at all. We had a long correspondence upon that subject, which I will submit. On September 2, 1871, an order was made to embrace Whitman between Walla Walla and Wallula, without change of pay.

"July 26, 1872.—Recognize the service of Parker, Tuller & Barlow in conveying the mails from Cayuse, by Pendleton and Meadowville, to Umatilla, 45 miles, and back daily, from July 1, 1870, to June 30, 1872, at the rate of \$5,000 per annum, and refer to Auditor to adjust and pay.

"J. L. R."

The jacket whereon is entered the foregoing order contains the following statement :

"The service from Cayuse, by Pendleton and Meadowville, to Umatilla, was performed by the contractors on this route during the last term, and the service recognized. When the service for this contract-term commenced the contractors were verbally ordered to perform the service which the certificates of the postmasters show to have been done daily, and with regularity, for the past two years. The distance is forty-five to fifty miles, and the contractors agreed to supply the route for \$5,000 per annum, less than pro rata."

"August 8, 1872.—Order a side-supply from Cayuse, by Pendleton and Meadowville, to Umatilla, forty-five miles, and back daily, and allow contractors \$5,000 per annum, being less than pro rata, but agreeable to proposition, from July 1, 1872."

The following letters, filed in the Department, show the importance of this service:

WASHINGTON, May 5, 1870.

SIR: I have taken some pains to investigate the competing mail-routes from the Central Pacific Railroad to Umatilla and The Dalles, so far at least as their merits or demerits affect my people and Territory.

From the best and most reliable information accessible, I am forced to the conclusion that the present mail-route from Kelton, near the head of Salt Lake, through the Goose Creek Mountains, via the Indian Creek Pass, is by far better than the proposed route from Elko via Silver City, and for several reasons.

The present Kelton route is passable and practicable at all seasons of the year, as has been proved by the experience of the contractor and the Department. It is believed that the other is not, as it passes over a very elevated country and across a high range of mountains, where snow-storms are frequent and the weather very severe. Besides this, were the Elko route as practicable as the other, its adoption would delay the Idaho, Oregon, and Washington mails from twelve to twenty-four hours.

For these and other reasons, which I cannot give in detail within the limits of a letter, I desire to place on file my urgent request that the present route may be retained for the through-mails to the northwest.

I have no knowledge in regard to the wishes of contractors or others in reference to this subject, having had no conversation or correspondence with them. I speak entirely upon outside information and from my own knowledge of the country.

With great respect,

S. GARFIELD.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General.

WASHINGTON, D. C., June 6, 1870.

SIR: As the question of the best route for the transportation of United States mail to the Territories of Idaho and Washington and the State of Oregon may become important to your Department, I desire to say that I have given the subject some attention, and have availed myself of all the information I could obtain in regard to it, with the following result.

The present line on route No. 16637, which leaves the Overland Railroad at Kelton, the most northerly point on the railroad, and runs to Dalles, Oregon, via Boise City, Idaho, is, in my opinion, the shortest, safest, and best that can be found. It passes the mountain ranges at low elevations, is less liable to interruptions during winter-weather, is the shortest, and traverses a country of greater fertility and local importance, and is in every view superior to any other route.

Whatever changes may be considered necessary for the convenience of the service and the accommodation of the public interested in the through mail from the East to the West, I consider the maintenance of this line of the first importance, not only to the people of Oregon, but also to the citizens of Idaho and Washington Territories.

Any change of mail service involving the abandonment of this route by the Department would, I think, be only under a misapprehension of its real merits.

Respectfully, yours,

GEO. H. WILLIAMS.

Hon. JNO. A. J. CRESWELL,
Postmaster-General.

To the Postmaster-General:

Having learned that it has recently become a debatable question with the Post-Office Department where the point of departure from the railroad should be for the Overland Mail line that supplies the Territories of Idaho and Washington and the State of Oregon with postal service, we desire, respectfully, to submit a few facts.

We believe that the local interests of the country and the ultimate interests of the Government demand that service on both the present routes should be continued; but should the Postmaster-General decide that only one can be maintained, we think the one from Kelton, in Utah, to Boise City, the capital of Idaho Territory, has every advantage over all other routes, in point of certainty, celerity, and safety in the transmission of the mails.

It has these advantages, because the route, while being quite as short if not shorter than any other, has easier grades, crosses the mountains that must be crossed at lower elevations, and lies generally through valleys, which are never obstructed by snow in winter or by serious floods in spring.

The contractors have not, during the last two years, failed from these or any other causes to perform their trips within schedule time, but always, except in the worst weather, perform the service in considerable less than schedule time.

This is not a little remarkable for so long a route through so new a country.

By far the larger part of freight that enters the Territory, whether coming from East or West, goes by this route.

It lies through a fertile section of country, which is rapidly filling with settlers, and it is

the most direct course for travel and transportation to leave the Pacific Railroad, and the course which they actually do take to reach the northwest Territories and to go through to Portland, Oreg.

We feel sure that this route will be abandoned only because its importance is underestimated or the facts in regard to it are misunderstood.

JAS. L. REYNOLDS,
Editor Statesman, Boise City, Idaho.
JNO. R. McBRIDE.

WASHINGTON, D. C., June 6, 1870.

UNITED STATES SENATE CHAMBER,
Washington, July 7, 1870.

SIR: The service on route 16622, from Indian Creek to The Dalles, is a very important service, making a speedy and direct communication from the Central Pacific Railroad to Oregon and to Idaho and Washington Territories. I earnestly hope there will be no interruption in this important service. I have good reason to believe, from my knowledge of the cost of such service, that the pay prior to the 1st instant allowed was greatly too low.

Very respectfully,

H. W. CORBETT.

Hon. J. A. J. CRESWELL,
Postmaster-General.

Indorsed as follows:

The route from Kelton to Umatilla, via Boise City, Idaho, is of vital importance to the Territories of Idaho and Washington, and I concur in the opinion that the compensation heretofore has been inadequate for the service performed.

J. K. SCHAFER.

Also, indorsed:

I fully concur in the foregoing statements of Senator Corbett. The route to which he refers is one in which the people of Oregon have a deep interest, and I hope that nothing will occur to interfere with it. I agree, also, as to what Senator Corbett says about the inadequacy of pay before the 1st instant.

GEO. H. WILLIAMS.

WASHINGTON, D. C., June 1, 1871.

DEAR SIR: In reply to your inquiry in regard to the weight of the mail on route No. 16622, from Kelton, Utah, to The Dalles, Oregon, 765 miles, I can state that up to the close of our contract, July 1, 1870, the average weight, daily, of the mail was about 1,000 pounds. The weight was seldom less than 500 pounds, and sometimes as much as 2,800 pounds in a single day. The weight ranged from 500 pounds to 1,500 pounds in a single day. I consider the weight of that mail is now as great or greater, as it is steadily increasing. I should observe that when I was performing the service, the railroad only delivered the mail to me six times per week; now I am told it is delivered seven times a week. I will here venture to remark that six-times-a-week service on a route of several hundred miles in length, as this is, (seven hundred and sixty-five miles,) is an absurdity, and cannot be performed satisfactorily.

The weight of the mail on this route is so great that it should be distributed through the seven days of the week, so that there should not be an interruption of one day in the transportation of the entire eastern mail for one whole State and two Territories.

I remain, very respectfully, yours,

C. M. LOCKWOOD.

BRADLEY BARLOW, Esq.

[Telegram.]

WASHINGTON, June 16, 1871.

To POSTMASTER,

Kelton, Box Elder County, Utah:

Report, by telegram, to this office the average weight of mail received from, and delivered daily to, the Kelton and The Dalles route.

J. L. FRENCH,
Acting Second Assistant Postmaster-General.

Reply.

KELTON, UTAH, June 16, 1871.

To J. L. FRENCH,

Acting Second Assistant Postmaster-General:

Present average, seven hundred received, two hundred delivered; yearly average much larger.

W. T. RILEY,
Postmaster.

There is a point raised by Mr. Underwood in regard to the side allowances made here. The original route as established came up from the railroad in this direction. [See diagram.] Pendleton being a county-town is entitled to service whether it is on a route or not; it is the duty of the Postmaster-General under the general law to provide a mail from some point on the nearest route to a county-town, and so it became our duty to supply Pendleton, and we supplied it from Cayuse. Mr. Underwood said that was an improper allowance for that service, because there was no communication whatever between Wallula and Umatilla. Now, all I have to say is that cannot be true, for the reason that our maps all show the regular location of the route with a mark designating the amount of the service, and they show the regularly established service to have passed from Wallula to Umatilla; and this was an extra service, and an essential service, because Pendleton was a county-town, and there was nothing left for us but to put the service on.

By Mr. AINSWORTH:

Q. The extra service was simply from Cayuse to Umatilla?—A. Yes, sir.

By Mr. CANNON:

Q. The allowance was four or five thousand dollars, I believe?—A. Yes, sir; something like that.

By the CHAIRMAN:

Q. You say that Mr. Underwood is wrong on that point?—A. I do. Of course I have no personal knowledge on the subject, but I am satisfied that he must be wrong, because when you had reached Umatilla you had reached the river, and there must have been a passage down the river, on one side or the other.

By Mr. AINSWORTH:

Q. You had no means of knowing from your registers whether they ran down there or not?—A. No, sir; except the certificates from postmasters. The certificates would show whether the mail came in from Umatilla direct, and then passed to the other point. At Wallula they would show whether the mail came in from Umatilla or from Walla-Walla.

Q. True; but at the same time if they had time enough to send it around, and they made up a through mail from Umatilla, and sent it to Wallula, or made up a through mail at Wallula, and sent it to Umatilla, provided it was delivered at the schedule time, there would be no way of knowing?—A. No, sir; except that Wallula would not have a certificate of the mail arriving from Umatilla; it would be always Walla-Walla.

Q. But suppose they made up a separate sack?—A. Still it would be in the mail coming from Walla-Walla.

Q. No, if it was made up as a through sack, they would take no notice of the fact that it had been to Walla-Walla?—A. But I am talking of the certificate they make of the contractor's service.

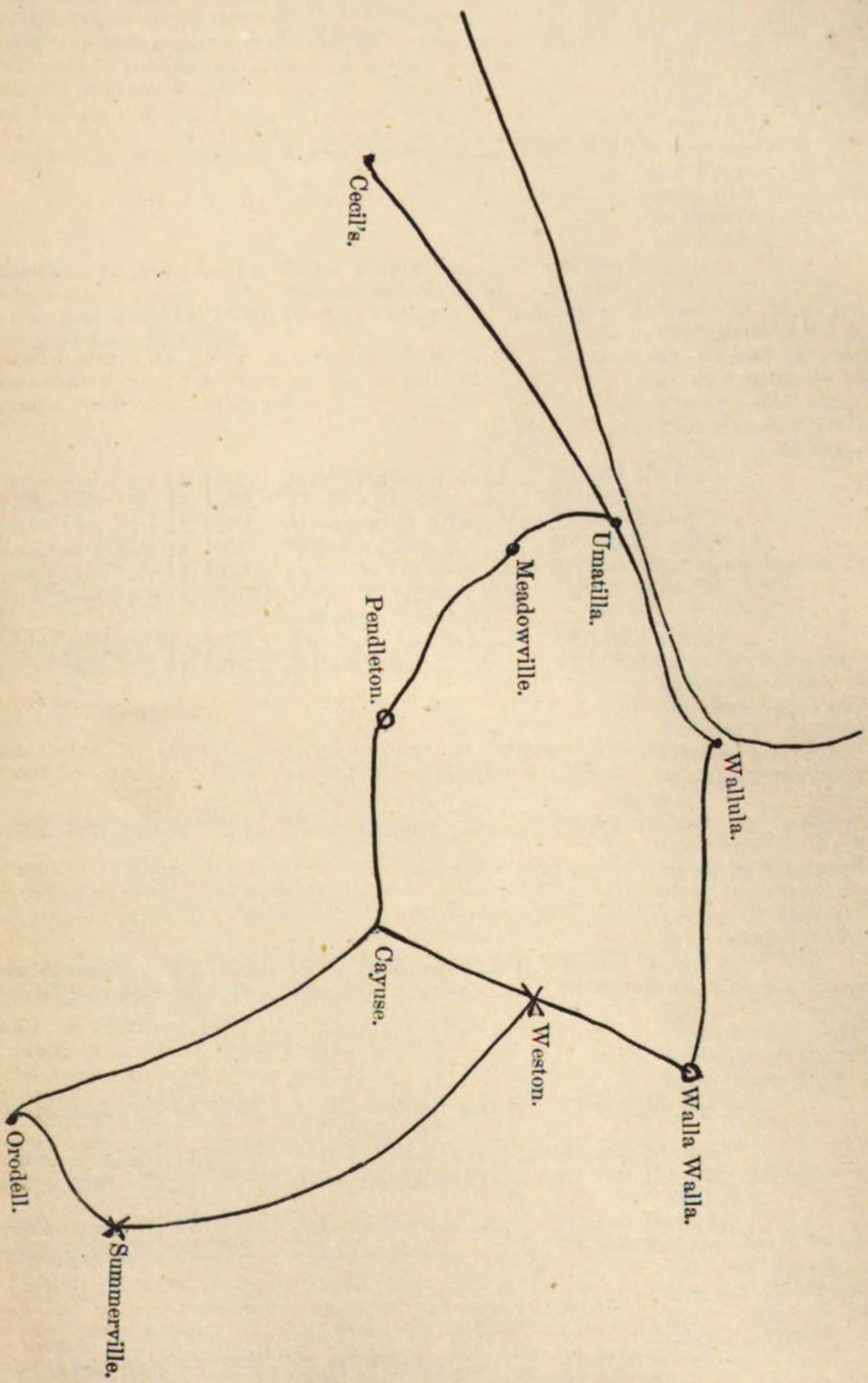
Q. That is what I am talking about.—A. They would certify in that certificate that the mail had arrived from Walla-Walla.

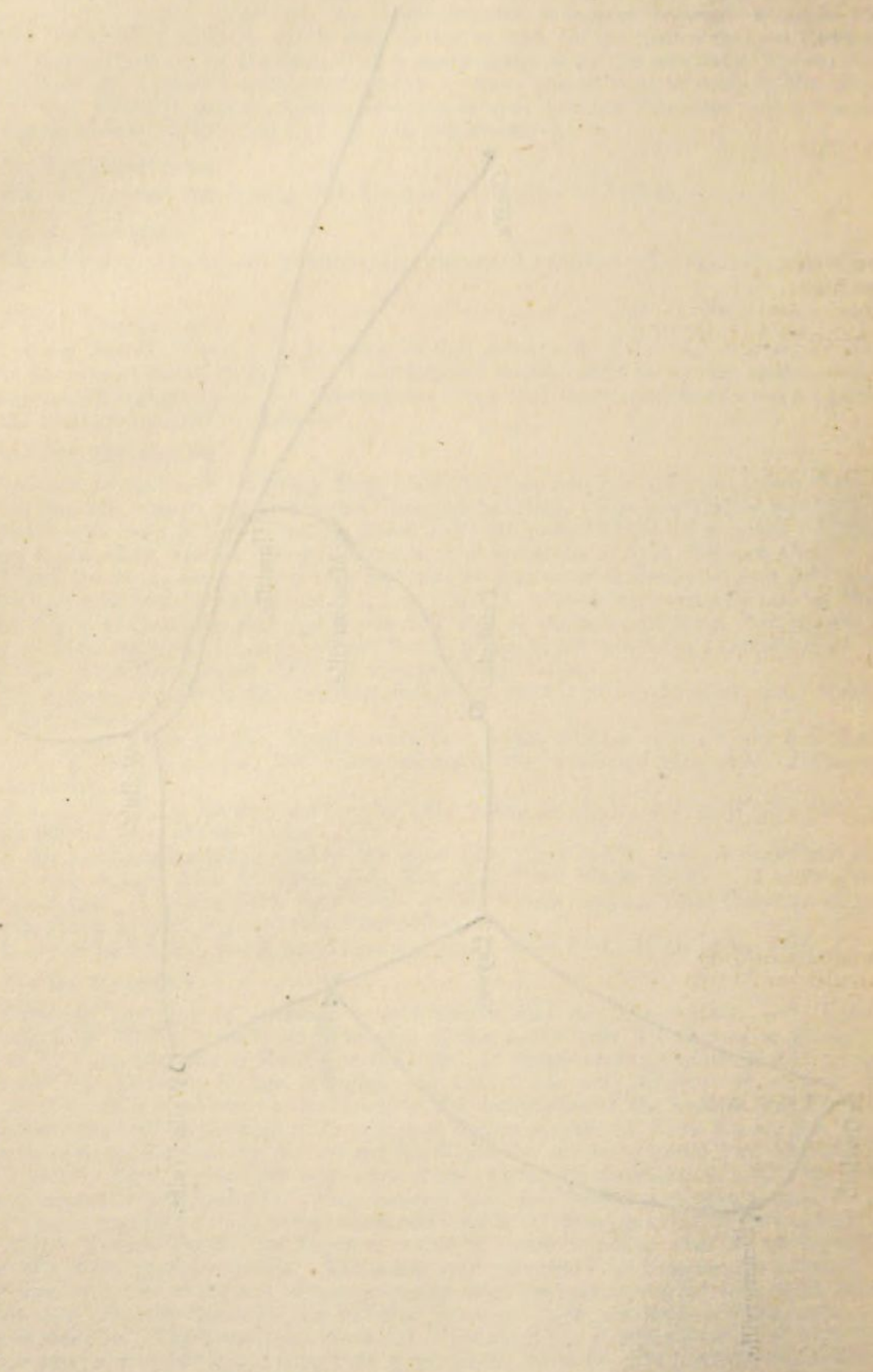
Q. If this mail was carried around at the same time, they could make a certificate that the mail had arrived from Umatilla?—A. Yes; but "via Walla-Walla." I think they would state that. I do not think they would certify a mail coming from Umatilla around by Walla-Walla without saying "via Walla-Walla."

Q. It would be a fraud, but it could be done, could it not?—A. It could be done.

By Mr. CANNON:

Q. Have you anything in reference to the Mesilla and San Diego route?—A. I have. The route from Mesilla is really an extension of the route from Kit Carson to Santa Fé, thence to El Paso, stopping at Mesilla on the way, and thence starting across to San Diego, and thence, by extension, to Los Angeles. In 1870 I was very anxious to abolish this route, and I made a great effort to do it, and at the completion of the Kansas Pacific, I desired to have the mail go through to Denver, and thence southward, down the regular Trinidad route, to Santa Fé, leaving out the service diagonally across to Santa Fé; but there I found myself in fierce controversy with some of the chairman's constituents. Missouri rose *en masse* against my proposition. They insisted that they had always been entitled to the Santa Fé trade, and that a route should be started from Kit Carson; because, if we went farther west on the Kansas Pacific, we began to make so much northing that we were getting beyond the reach of Saint Louis. The route was shortened in because the railroad extended westward, and at the end of the preceding term the service started from Phil. Sheridan and went across to Santa Fé, six hundred miles and back, six times a week, to be run in due connection. The contractors were J. L. Sanderson and Bradley Barlow, at \$171,720. The new service was advertised from Phil. Sheridan to Santa Fé, five hundred and twenty-five miles and back, six times a week, to commence July 1, 1870, on which pro rata of old pay would have been \$136,595.45 per annum.





Under the said advertisement the following bids were received, viz :

Too high.....	Anderson Arnot.....	\$149,908	No guarantee or certificate.
Too high.....	Nelson Sargent.....	129,000	
Too high.....	Alexander Benham.....	125,000	
Too high.....	Nelson Sargent.....	119,000	
Too high.....	F. P. Sawyer.....	111,500	
Too high.....	H. Karber.....	108,000	30th September, 1869, on 17001, 29, 31, without change of pay, and agrees to perform all service advertised.
Too high.....	Bradley Barlow.....	100,000	To commence at any point on Kansas Pacific Railroad, from Phil. Sheridan to Denver, inclusive, without charge.
Too high.....	Virgil W. Parker.....	98,900	
Too high.....	Andrew Stuart.....	96,000	
Circular sent July 14, 1870; accepted Aug. 15, 1870.	Bradley Barlow.....	Accepts. 95,000	Service, at the option of Postmaster-General, may be ordered to commence at any point on Kansas Pacific Railroad, from Phil. Sheridan to Denver, inclusive; no charge.
Circular sent July 14, 1870..	John Hughes.....	95,000	No reply.
Circular sent July 14, 1870..	Bradley Barlow.....	95,000	
Circular sent July 14, 1870..	Alexander G. Allen.....	91,000	No reply.
Circular sent July 14, 1870..	William Craig.....	90,000	No reply.
Circular sent July 14, 1870..	Lewis B. Du Bois.....	87,000	Withdrawn August 13, 1870.
Circular sent July 14, 1870..	John T. Gilmer and Monroe Salisbury.	86,100	No reply.
Circular sent July 14, 1870..	Abraham Jacobs.....	81,000	No reply.
Circular sent July 14, 1870..	John Hughes.....	80,000	Any point on Kansas Pacific Railroad, which may be designated by Postmaster-General at any time, via Denver and Pueblo, supplying intermediate offices.
Circular sent July 14, 1870..	Pierce Crane.....	76,000	Between any point on Kansas Pacific Railroad designated by Postmaster-General, and Santa Fé, supplying all intermediate offices referred to on 17032.
Circular sent July 14, 1870..	W. C. Galloway.....	75,800	No reply.
Circular sent July 14, 1870..	Abraham Jacobs.....	73,000	Route between Denver and Santa Fé; service six times a week, and on same schedule as 17032; Phil. Sheridan to Santa Fé.
Circular sent July 14, 1870..	A. E. Haskell and J. C. Cheney.	73,000	No reply.
Circular sent July 14, 1870..	J. C. D. Blackburn.....	68,340	No reply.
Circular sent July 14, 1870..	Abraham Jacobs.....	67,800	Pro-rata deduction to start at Carson.
Circular sent July 14, 1870..	J. L. Sanderson.....	67,000	No reply.
Circular sent July 14, 1870..	John Hughes.....	63,800	Between Santa Fé and Denver, via Pueblo, supplying all intermediate offices; refers to his proposal on 17032.
Circular sent July 14, 1870..	G. W. Vickery.....	63,024	No reply.
Circular sent July 14, 1870..	F. R. Diffendorf.....	62,700	No reply.
Circular sent July 14, 1870..	Pierce Crane.....	59,500	Between Santa Fé and Denver, via Pueblo, supplying all offices on route.

Circular sent July 14, 1870..	T. J. Barnum.....	57,000	No reply.
Circular sent July 14, 1870..	Harmon G. Weibling..	56,150	No reply.
Circular sent July 14, 1870..	Charles Nowwald.....	55,900	No reply.
Circular sent July 14, 1870..	Folliot T. Lally.....	52,000	Withdrawn.
Circular sent July 14, 1870..	C. W. Foster.....	48,000	No reply.
Circular sent July 14, 1870..	L. S. Barlow.....	45,000	No reply.
Circular sent July 14, 1870..	Henry S. Gillett.....	44,450	No reply.
Circular sent July 14, 1870..	Hooley Sanderson.....	44,000	No reply.
Circular sent July 14, 1870..	Sidney S. Clark.....	43,000	No reply.
Circular sent July 14, 1870..	J. M. Woodworth.....	42,800	No reply.
Circular sent July 14, 1870..	Jacob L. Sanderson...	33,000	No reply.
Circular sent July 14, 1870..	R. B. Kelley.....	23,000	No reply.
Circular sent July 14, 1870..	W. S. Stone.....	23,000	No reply.
Circular sent July 14, 1870..	A. M. Moody.....	22,500	No reply.
Circular sent July 14, 1870..	Lewis Barnum.....	19,000	No reply.
Circular sent July 14, 1870..	John H. Minhort.....	17,275	No reply.
Accepted March 14, 1870....	Albert O. Wallace.....	13,000	Failed.

Failed. See order August 16, 1870. South San Diego, Cal.

After time.

James W. Parker.....	125,000	Received March 2, 1870.
D. T. Parker.....	117,000	Received March 2, 1870.
Edward P. Suydam...	109,000	Received March 2, 1870.
Owen Tuller.....	89,900	Received March 2, 1870.
Adam E. Smith.....	87,000	Received March 2, 1870.
Charles F. Holly.....	149,999	Received March 9, 1870.

The following orders were made :

August 16, 1870.—Let this route begin at Kit Carson, omitting Phil Sheridan, and contract with Bradley Barlow, of Saint Albans, Vt., at his bid of \$95,000 per annum, subject to the provisions thereof, from September 1, 1870, to June 30, 1874, making failing bidder and his guarantors liable.

Contractor, Bradley Barlow, Saint Albans, Vt.....	\$95,000
Ordered April 5, 1871.....	15,833
	110,833

April 5, 1871.—Order one additional trip per week, and allow contractor \$15,833 per annum additional *pro rata* from April 16, 1871.

The foregoing order was passed upon the following recommendation :

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 20, 1871.

SIR : The undersigned recommend that daily service be put on the routes from Kit Carson to Santa Fé, and from Denver to Trinidad, the point at which the Denver and Kit Carson routes intersect.

We also recommend that daily service be put on the route from Santa Fé to El Paso, Texas.

Very respectfully, &c.,

JOHN TAFFE.	J. FRANK CHAVES.
	J. B. CHAFFEE.
	H. E. HAVENS.
D. P. LOWE.	ANDREW KING.
	J. R. McCORMICK.
ERASTUS WELLS.	E. M. MCCOOK.
	J. C. PARKER.
R. C. McCORMICK.	G. A. FINKELNBURG.
	S. S. BURDETT.
C. SCHURZ.	J. G. BLAIR.
	S. C. POMEROY.
FRANK P. BLAIR.	A. CALDWELL.
P. W. HITCHCOCK.	J. R. WEST.
T. W. TIPTON.	GEO. E. SPENCER.

Hon. J. A. J. CRESWELL,
Postmaster-General.

Also the following :

WASHINGTON, D. C., December 20, 1870.

SIR : I have the honor to call your attention to the great necessity constantly arising and increasing for more mail-service than there is at present on route No. 17401, from Santa Fé,

N. M., to Franklin, Texas. This route is but the extension of our great main route from the Kansas Pacific Railroad at Kit Carson, Colo., to Santa Fé, N. Mex., which at present is served six times a week. It is the only overland mail-route supplying with mail-facilities the extensive business now reviving and constantly increasing with the neighboring State of Chihuahua, in the republic of Mexico, which State is now largely supplied with the products of American industry, via New Mexico, through the port of El Paso.

The very rich and extensive gold-placers recently discovered in that State, besides the constantly increasing products of silver bullion from the workings of its well-known mines, have largely taxed the energies of New Mexico merchants to supply that State with improved machinery, &c.

The gradual pacification of the wild Indians in our Territory, under the beneficent policy of the President, has encouraged our people to enter largely into the rearing of sheep, of which the State of Chihuahua has a large surplus, thereby furnishing the people of New Mexico a market wherein to supply themselves with the necessary stock.

The route runs through the rich and fertile valley of the Rio Grande; nearly all of which is settled by an enterprising population, engaged in the pursuits of agriculture and mining, and in time not far distant, it is to be hoped, will tap, at El Paso, the great Texas Pacific Railroad.

And yet, this mail-route, which is to supply with mail-facilities two-thirds of the population of New Mexico, and in which nearly the whole of the tier of Southern States is intimately connected through the State of Texas, as well as the States of Kansas, Missouri, Arkansas, and California, and the Territories of Colorado, New Mexico, and Arizona, is carried but three times a week.

Now, sir, I respectfully submit that the present service is neither adequate nor sufficient to the increased demands of the people nor of commerce, and for that reason I respectfully and earnestly ask you to order its increase to a daily service.

In further support of this application, I have the honor to call your attention to, and submit for your consideration, the very extensively signed petition accompanying this application.

You will perceive that it is signed by not only all of our best men, without distinction of party, but also by all of the Federal officials within our Territory, all of whom recognize the great necessity existing for the increased mail-service asked for.

Hoping that this may meet with your favorable consideration and early action,

I am, very respectfully, &c.,

J. FRANCISCO CHAVES,
M. C., New Mexico.

Hon. J. A. J. CRESWELL,
Postmaster-General, Present.

The foregoing letter bears the following indorsements:

SENATE UNITED STATES.

I am acquainted with many of the facts set forth in this communication, and the attention now being to El Paso as a railroad point. It is of great importance to have this service, and must be had.

S. C. POMEROY.

I most cordially join in recommending the foregoing application to the consideration and favor of the Postmaster-General. It is of great importance, not only to New Mexico, but also Kansas and Missouri.

E. G. ROSS.

I concur in the above recommendations.

JAMES W. NYE.
WM. M. STEWART.

I concur in the above.

C. SCHURZ.
GEO. E. SPENCER.

I concur.

J. W. FLANAGAN.
R. T. VAN HORN.
J. R. McCORMICK.
W. T. CLARK.
E. DEGENER.
G. W. WHITMORE.

I have just been over the route in question, and found the people eagerly looking for this increased service, and I hope it will be granted.

R. C. McCORMICK,
M. C., Arizona.

The postmaster at Santa Fé, in a letter dated December 5, 1870, strongly urges the increase of service, and gives the weight of mails, stating that from 600 to 1,000 pounds of mail-matter are frequently carried, and they are constantly and steadily increasing.

The next route is No. 17401, from Santa Fé, New Mexico, to El Paso, Texas, at the close of contract term June 30, 1870, three hundred and fifty-six miles and back, six times a week. Annual pay, \$100,000.

Contractors : J. L. Sanderson and Bradley Barlow.

New service, route No. 17401, was advertised from Santa Fé to El Paso, three hundred and fifty-six miles, three times a week, to commence July 1, 1870, on which pro rata of old pay would have been \$50,000 per annum.

Under advertisement the following bids were received :

Too high	Elisha W. Hopkins	\$100,000	
Too high	John L. Rector	99,900	
Too high	Thos. S. Hapenny	99,750	
		150,000	Two times a week.
Too high	Edward P. Suydam	92,500	
Too high	Virgil W. Parker	87,000	
Too high	Jas. W. Parker	83,500	
Too high	Owen Tuller	81,990	
Too high	Adam E. Smith	79,000	
Too high	William Craig	75,000	
Too high	Alex. Benham	70,000	
Too high	F. Blaisdell and J. W. Ross	67,915	Six times a week.
Too high	F. T. Lally	65,000	
Too high	F. P. Sawyer	63,000	
Too high	Anderson Arnot	59,998	
Too high	W. C. Galloway	57,000	
Too high	Lewis B. Du Bois	55,000	
Too high	H. Karber	53,500	
Too high	R. B. Kelley	49,500	
Too high	Haskell & Cheney	49,000	
Too high	Alexander G. Allen	48,450	
Too high	Blaisdell & Ross	47,777	
Too high	G. H. Vickroy	47,000	
Too high	Chas. Narwald	44,875	
Too high	E. W. Rice	43,350	
Circular sent July 14, 1870.	Bradley Barlow	43,300	Accepts.
Circular sent July 14, 1870.	Elkins & Rynerson	42,500	No reply.
Circular sent July 14, 1870.	Nelson Sargent	41,000	No reply.
Circular sent July 14, 1870.	H. M. Vail	40,000	No reply.
Circular sent July 14, 1870; accepted Aug. 13, 1870,	G. A. S., J. L. Sanderson	39,000	Accepts.
Circular sent July 14, 1870.	J. M. Woodworth	37,500	No reply.
Circular sent July 14, 1870.	T. I. Barnum	37,000	No reply.
Circular sent July 14, 1870.	L. S. Barlow	35,000	No reply.
Circular sent July 14, 1870.	Samuel A. Lillie	34,900	No reply.
Circular sent July 14, 1870.	Sidney S. Clarke	34,000	No reply.
Circular sent July 14, 1870.	Bennett & Lesinsky	33,900	No reply.
Circular sent July 14, 1870.	Theodore Lockwood	33,500	No reply.
Circular sent July 14, 1870.	F. R. Diffenderffer	33,350	No reply.
Circular sent July 14, 1870.	C. W. Foster	33,000	No reply.
Circular sent July 14, 1870.	Scott & Richards	32,557	Withdrawn July 17, 1870.
Circular sent July 14, 1870.	William. Green, Worthley, & F. G. Hughes	29,900	No reply.
Circular sent July 14, 1870.	Valentine S. Shelby	29,700	No reply.
Circular sent July 14, 1870.	John M. Shaw	29,000	No reply.
Circular sent July 14, 1870.	Grandjean & Gonsales	27,000	No reply.
Circular sent July 14, 1870.	Grandjean & Gonsales	27,000	No reply.
Circular sent July 14, 1870.	J. L. Sanderson, 2d	27,000	No reply.
Circular sent July 14, 1870.	Santiago L. Hubbell	26,980	Withdrawn July 22, 1870.
Circular sent July 14, 1870.	Aaron Zeckendorf	25,300	No reply.
Circular sent July 14, 1870.	J. C. D. Blackburn	24,763	No reply.
Circular sent July 14, 1870.	W. S. Stoner	19,000	No reply.
Circular sent July 14, 1870.	Henry S. Gillett	19,000	No reply.
Circular sent July 14, 1870.	A. Moody	18,000	No reply.
Circular sent July 14, 1870.	Lewis Barnum	15,000	No reply.
Circular sent July 14, 1870.	John H. Minhort	14,846	No reply.
C. W. Lewis, South San Diego, San Diego, Cal.		9 000	Failed.
Accepted March 14, 1870; failed. See order August 16, 1870.			

After time.—(Received March 2, 1870.)

Delos T. Parker \$85,000

The following orders were made on this route :

August 16, 1870.—Contract with Bradley Barlow and J. L. Sanderson, of Saint Albans, Vt., at J. L. Sanderson's bid of \$39,000 per annum, from September 1, 1870, to June 30, 1874, making failing bidder and his guarantors liable.

Contractors: Bradley Barlow and J. L. Sanderson	\$39,000
Saint Albans, Vt.....	52,000
	91,000

April 5, 1871.—Order four additional trips per week on this route, and allow contractor \$52,000 additional per annum from April 16, 1871, being *pro rata*.

The foregoing order was passed upon the recommendation of the following: Hon. J. Francis Chaves, New Mexico; Hon. J. B. Chaffee, Colorado; Hon. Richard McCormick, Arizona; Hon. D. P. Lowe, Kansas; Hon. John Taffe, Nebraska; Hon. H. E. Havens, Hon. Andrew King, Hon. J. R. McCormick, Hon. E. M. McCook, Hon. J. C. Parker, Hon. S. A. Finkelnburg, Hon. S. S. Burdett, Hon. J. G. Blair, Hon. Erastus Wells, Missouri; Senators S. C. Pomeroy and A. Caldwell, of Kansas; C. Schurz and F. P. Blair, of Missouri; T. W. Tipton and P. W. Hitchcock, of Nebraska; J. R. West, of Louisiana; Geo. E. Spencer, of Alabama.

The next route is 17404, from Mesilla, New Mexico, to Los Angeles, eight hundred and forty-seven miles, three times a week, with branch to Pinos Altos, fifty-three miles, three times a week, annual pay at close of contract-term, June 30, 1870, \$213,194. Contractors, J. L. Sanderson and Bradley Barlow.

That is the worst route in the service. The contractors have more trouble with the Indians, more murders, more interruptions, and more property and mails destroyed by violence than on any other route in the country.

New service was advertised route 17504, from Mesilla, New Mexico, to Los Angeles, Cal., nine hundred miles and back, once a week, with branch once a week to Pinos Altos.

Proposals for twice-a-week service invited.

Under this advertisement the following bids were received, viz :

William Stewart.....	\$174,000	
Charles A. Cook.....	160,000	
	200,000	Twice a week. Ten days.
W. Craig.....	150,000	
	200,000	Twice a week.
Scott & Richards.....	130,000	Twice a week. Accepts.
Lewis B. Du Bois.....	125,000	
Bennett & Lesinsky.....	120,000	
C. C. Warren.....	119,000	Twice a week. No reply.
Anderson Arnot.....	99,998	
James W. Parker.....	97,900	
	167,500	Twice a week.
Owen Tuller.....	92,000	
	155,000	Twice a week.
James O. Parker.....	90,000	
	150,000	Twice a week.
Folliot T. Lally.....	89,400	
W. C. Galloway.....	89,000	
	159,000	Twice a week.
Andrew Stuart.....	87,000	
	119,000	Twice a week. No reply.
Theodore S. Hapenny....	87,000	End at Pinos Altos.
Elisha W. Hopkins.....	84,000	
	150,000	Twice a week.
F. P. Sawyer.....	82,500	
	147,500	Twice a week.
George W. Cook.....	80,000	Twice a week. Withdrawn April 27, 1870.
Edward P. Suydam.....	79,000	
	127,000	Twice a week. No reply.
Hugh L. Hinds	79,000	
	115,000	Twice a week. No reply.
	157,000	Three times a week. Too high.
Bradley Barlow.....	79,000	

	150,000	Twice a week.	
G. H. Vickroy	78,000		
C. C. Warner	77,500		
Virgil W. Parker	75,000		
	125,000	Twice a week.	No reply.
Alexander G. Allen	74,650		
	147,300	Twice a week.	
H. M. Vail	70,000		
	130,000	Twice a week.	No reply.
Adam E. Smith	69,000		
	109,000	Twice a week.	No reply.
J. L. Sanderson	69,000		
	132,000	Twice a week.	
Scott & Richards	67,800		
H. Karber	67,342		
	131,684	Twice a week.	Too high.
T. I. Barnum	65,000	Circular sent July 14, 1870.	
	124,000	Twice a week.	Accepts. Accepted August 15, 1870.
		G. A. S.	
E. W. Rice	64,500		
	125,000	Twice a week.	Accepts.
Richard Lambert	64,400	Accepts.	
J. C. D. Blackburn	63,459	No reply.	
	126,500	Twice a week.	No reply.
John L. Rector	63,000		
	97,000	Twice a week.	Withdrawn July 12, 1871.
Jesse D. Carr	63,000		
	115,000	Twice a week.	No reply.
	150,000	Three times a week.	
L. S. Barlow	59,000		
	112,000	Twice a week.	No reply.
Theodore Lockwood	57,500		
	95,500	Twice a week.	Withdrawn April 27, 1870.
T. R. Diffenderffer	56,800	No reply.	
Sidney S. Clarke	55,000		
	105,000	Twice a week.	No reply.
A. L. Seely	54,400	Withdrawn July, 1870.	
Henry S. Gillette	49,700	No reply.	
Albert L. Seely	49,400	Withdrawn July, 1870.	
George W. Cook	40,000	Withdrawn.	
C. W. Foster	49,000		
	94,000	Twice a week.	No reply.
John Davis	47,550	Withdrawn July, 1870.	
	90,000	Twice a week.	Withdrawn March 16, 1870.
R. B. Kelley	43,500	No reply.	
J. L. Sanderson 2d	43,000		
	82,000	Twice a week.	No reply.
Charles Nanwald	37,000	No reply.	
W. S. Stone	33,000		
	62,000	Twice a week.	No reply.
Lewis Barnum	29,000		
	52,000	Twice a week.	No reply.
John H. Minhort	28,300	No reply.	
A. Moody	27,500		
James W. Cullen	23,000		
	42,000	Twice a week.	Failed. Accepted March 14, 1870.
			Failed, see order August 16, 1870, South San Diego, San Diego County, Cal.

After time.—(Received March 2, 1870.)

William Stewart	299,000	Twice a week.	No guarantee or certificate.
Delos T. Parker	100,000		
	175,000	Twice a week.	See 17401.
N. Sargent and W. Kiskadin	106,000		

The lowest bid was that of James W. Cullen, \$42,000, twice a week; accepted March 4, 1870. He failed. He was notified under the resolution of May 5, but never did attend. I thought I had a chance of making a contract at a lower figure than was presented in Mr.

Barlow's bid There was a man named Seelye on this route who lived in San Diego, I think; he certainly lived in California. He sent on a withdrawal of his bid, and a power of attorney to somebody here to act for him, which will appear as I read the record, and for some reason, I don't know why, he afterward employed a gentleman named Ware, who was formerly in the Sixth Auditor's Office, to come to me and make a long argument to show me that he ought to have that contract provided he would withdraw his withdrawal and take it. I said to Mr. Ware, "It does not need any argument to satisfy me on that. The man who will take this route at the lowest figure shall have it; if your man will take it let him come and make a contract."

To go back, Albert L. Seely addressed the following communication to the Department:

SAN DIEGO, CAL., June 3, 1870.

SIR: Learning that the contract on route 17404 has been awarded to another person, I most respectfully ask to withdraw my bids or proposals for service on that route, as I cannot, under present circumstances, perform such service. Therefore, you will please consider my bids or proposals withdrawn.

Very respectfully, your obedient servant,

ALBERT L. SEELY.

Hon. JNO. A. J. CRESWELL,
Postmaster-General.

Seely also filed in Post-Office Department power of attorney to Thomas Hood, of Washington, D. C., to take charge and control of his bids or proposals in the Post-Office Department, and generally to manage all his business in relation thereto. This power of attorney bears date June 6, 1870.

On July 12, 1870, Joseph A. Ware, professing to be attorney in fact, filed an argument in behalf of said Seely asserting his right to a contract under his bid notwithstanding his said withdrawal.

On July 13, 1870, the said Ware asked for sufficient delay to communicate with the said Seely to ascertain whether the said withdrawal was genuine.

One month's delay was granted to said Ware on his request aforesaid, and he was assured that Seely should have the contract, provided it should appear he was the lowest bidder who would enter into contract for the performance of the service.

Afterward the said Ware filed a full power of attorney in his own behalf, duly signed by A. L. Seely, and dated July 26, 1870.

On the 28th of July, 1870, Joseph A. Ware filed a written communication in the Department, stating that he had heard from Mr. A. L. Seely relative to the supposed withdrawal of his bid on route 17404, and that he had not withdrawn his bid; and asking, in view of the above, that final action by the Department be suspended for two weeks until the matter could be satisfactorily explained, which request was granted.

August 12, 1870, this telegram received: "I hereby repudiate and revoke any and all powers of attorney by me to Mr. Joseph Ware, attending to any matters of mine, concerning mail-contract in your Department."

"Yours, truly,

"A. L. SEELY."

This telegram was shown to Mr. Ware, whereupon he declined to act any further in the case.

Subsequently a second power of attorney was filed, the date thereof being August 13, 1870.

August 16, 1870.—Contract with Bradley Barlow, T. J. Barnum, and J. L. Sanderson, of Saint Albans, Vt., at T. J. Barnum's bid of \$124,000 per annum, from September 1, 1870, to June 30, 1874, making failing bidder and his guarantors liable.

Contractors: Bradley Barlow, T. J. Barnum, and J. L. Sanderson, Saint Albans, Vt.

\$124,000	
88,000	Order 14 December, 1870.
212,000	
2,500	
1,960	
2,000	
218,460	

December 14, 1870.—Increase service on this route between Mesilla and San Diego, one additional trip per week, and between San Diego and Los Angeles, 130 miles, four additional trips per week, and allow contractors \$88,000 additional per annum, less than pro rata, but agreeable to proposition, from January 1, 1871.

The foregoing order was passed on petition of 154 citizens of San Diego; also of 350 citizens of San Diego, with copy of San Diego Press attached; also 113 citizens living on

this route, with printed slips urging the same cut from Los Angeles Star and Los Angeles News, and having the following indorsement of George J. Clark, postmaster at Los Angeles:

"The within subscribers to this petition are the prominent citizens of this city. I fully indorse the petition, provided the route is made to connect with the arrival of the overland mail from San Francisco.

" GEO. J. CLARK,
"Postmaster."

Also petition of 140 citizens living along the line of the route.
Also the following letter from the postmaster at Los Angeles:

POST-OFFICE, LOS ANGELES, CAL.,
November 22, 1869.

With respect and deference I beg to offer the following for the consideration of the Department. Under the published proposals for carrying the United States mail on the route from Mesilla, N. Mex., to Los Angeles, the call is for once a week. In my opinion it will be impossible for a contractor to take this mail once a week. It is now taken from this office three times a week, and will average 1,000 pounds each time. It frequently will weigh 1,500 pounds. The Department will perceive what an immense bulk of mail-matter there will be to transport if allowed to accumulate for a week.

I make no suggestions to the Department, but respectfully submit the above, thinking it may assist the Department in its arrangement of contracts.

Respectfully, your obedient servant,

GEO. J. CLARK,
Postmaster.

CONTRACT-OFFICE, POST-OFFICE DEPARTMENT,
Washington, D. C.

Special-Agent Barstow recommended daily service between San Diego and Los Angeles, by letter dated April 20, 1870.

Also the following letters:

WASHINGTON, D. C., August 18, 1870.

SIR: Route No. 17404, between Mesilla, N. Mex., via Tucson, Ariz., to San Diego, Cal., is a very important mail-route, made more so by the recent discovery of the almost incredibly rich silver mines in the Burro Mountains, which are situated immediately upon the route. Emigration is flocking into that region from California, Arizona, Chihuahua, Sonora, New Mexico, and Texas, and no doubt exists in my mind, but that this winter there will be a large, thriving, and prosperous mining town at Ralston City.

In view of these facts I feel it incumbent upon me very respectfully and most earnestly to recommend that mail-service upon it be increased from a semi-weekly to tri-weekly in order to accommodate the increasing demands of the public.

I am, sir, very respectfully, your obedient servant,

J. FRANCO. CHAVES.

Hon. J. A. J. CRESWELL,
Postmaster-General.

Also the following:

SIR: The people of Southern California, Arizona, and New Mexico are anxious that mail-service on route 17404, from Mesilla, N. Mex., to Los Angeles, Cal., should be increased to three times a week between Mesilla and San Diego and six times a week between San Diego and Los Angeles.

It is the only through line by the southern route, and business and travel upon it are constantly increasing. The growth of Los Angeles, San Diego, and other cities and towns in Southern California, the growth of the settlements in Southern Arizona, and New Mexico, and the opening of new and valuable mining district in that Territory, and in New Mexico, render it highly important that this service should be thus increased without delay. I sincerely hope that this request for so reasonable and necessary service upon a mail-route of such great consequence will promptly meet with your favorable consideration.

With much respect, your obedient servant,

R. C. McCORMICK.

To which is appended the following:

I fully concur in the foregoing views and hope the service asked for may be granted. The increase is very much needed and the necessity constantly becoming greater.

C. COLE.

Finally the following paper was filed :

HOUSE OF REPRESENTATIVES,
Washington, D. C., December 6, 1870.

SIR : I have the honor to call your attention to the increased mail-facilities which the recent rich mineral deposits discovered on the thirty-second parallel and the large emigration consequent thereto make it necessary should be put upon mail-route No. 17404, between the town of Mesilla, N. Mex., and Los Angeles. This route passes through a portion of New Mexico and the whole southern breadths of the Territory of Arizona and the State of California, piercing not only one of the richest mineral belts on the continent of America, but also being the only medium of supplying mail-facilities to the capital of Arizona, and to a very considerable number of thriving cities and towns in New Mexico, Arizona, and California, and as the present mail-service upon that route is semi-weekly only it does not come up to the requirements and necessities of the communities upon that route. I therefore most respectfully and earnestly recommend and request that service may be increased from a semi-weekly to a tri-weekly upon said route, which increase will, I think, be sufficient for the present.

I am, sir, very respectfully, your obedient servant,

J. FRANCO. CHAVES,
M. C., New Mexico.

Hon. J. A. J. CRESWELL,
Postmaster-General.

Signed also by S. B. Axtell, Jas. A. Johnson, A. A. Sargent, C. Cole, E. Casserly.

Six times a week service between San Diego and Los Angeles was also recommended by Thomas S. Sedgwick, chief engineer Southern Pacific Railroad.

April 24, 1871.—Embrace Florence and Sandford between Tucson and Sacatone, increasing distance twenty miles, and pay \$2,500 per annum less than *pro rata*, but agreeable to proposition from June 1, 1871.

This order was granted on the following recommendation :

HOUSE OF REPRESENTATIVES,
Washington, D. C., April 21, 1871.

SIR : The towns of Sandford and Florence, thrifty settlements in Pima County, Arizona, are now without mail facilities, and the residents being eager to have these supplied, I respectfully recommend that they be embraced on route 17404, which will only increase the distance some twenty miles, and thus accommodate an important and growing district, and I understand the contractors are willing to undertake the service for a reasonable compensation.

With much respect, your obedient servant,

R. C. McCORMICK,
M. C., Arizona.

Hon. J. A. J. CRESWELL,
Postmaster-General.

August 12, 1872.—Extend service from Pimos Altos to Silver City, ten miles and back, three times a week, and allow contractors \$1,960 additional per annum, *pro rata*, from August 16, 1872.

The foregoing order was granted on the petition of 176 public officers and citizens of the town of Silver City, county of Grant, and Territory of New Mexico, who state, among other things, that Silver City recently before the date of said petition, (April 17, 1872,) had been made the county-seat of Grant County by an act of the legislature of the said Territory, and that Silver City is the largest and most important town in the county, or between the Rio Grande and Tucson, Arizona, its population numbering 800 souls, and owing to the large number of mills working ores and others en route for Silver City, and the rapid development of mines, they confidently expected that within six months their population would number not less than 3,000.

May 14, 1873.—Allow contractor \$1,000 additional per annum to expediate the schedule between San Diego and Los Angeles, one hundred and forty-six miles, from thirty-six hours to twenty-four, and \$1,000 per annum to perform seven trips per week in lieu of six, between same points from June 1, 1873, as per agreement.

This order granted on the following recommendations :

WASHINGTON, D. C., May 13, 1873.

SIR : While at San Diego, Cal., I had occasion to look into the condition of the service between San Diego and Los Angeles in said State.

The subcontractors, Seely and Wright, proposed to carry the mails over the route aforesaid (17404) seven times a week and back, in twenty-four hours, schedule-time, for an increase of compensation at the rate of \$2,000 per annum.

This service is very much desired and needed, and I earnestly recommend that the proposition be accepted and the service ordered.

Respectfully,

C. F. BALDWIN,
Assistant Superintendent R. M. S.

Col. JOHN L. ROUTT,
Second Assistant Postmaster-General.

WASHINGTON, May 13, 1873.

DEAR SIR: I recommend the increase of mail-service between Los Angeles and San Diego to seven times per week, and to reduce the time to twenty-four hours, as per the proposal of the contractor, deeming the same for the interest of the service.

Respectfully,

A. A. SARGENT.

Hon. J. A. CRESWELL,
Postmaster-General.

By Mr. CANNON:

Q. I understand that when you were first made Postmaster-General you cut down the service on the Messila and San Diego route?—A. No; I let that remain until the end of the contract term; then I cut it down. I advertised for only once-a-week service, but I invited bids for twice a week, and the increase was subsequently made, upon the demand of the people and their Representatives; they alleging that the weight of mail-matter carried three times a week on that route was fifteen hundred pounds at each trip.

By Mr. AINSWORTH:

Q. The contract was let for once a week and increased to three times?—A. Yes, sir.

By the CHAIRMAN:

Q. That was after the advertisement of the letting of 1870?—A. Yes, sir.

By Mr. AINSWORTH:

Q. When you came into office you found it three times a week?—A. Yes; and I tried to cut it down and tried to hold it there, but they resisted, and I presume that they were right, inasmuch as it was in a country where the service was maintained altogether by that one single line, with no supplies by any other route either from the Pacific coast or from the East. I have examined the records of the Department to find the pay of the California and Oregon Railroad and the Oregon and California Railroad, and I find no pay whatever given for that year to Ben Holliday's route.

By Mr. CANNON:

Q. Are you acquainted with B. H. Peterson?—A. Yes; I know him.

Q. He was a mail-contractor in the South and along the Mississippi River?—A. He was.

Q. Were the contracts you made with Peterson the best contracts you could get?—A. In every case they were the best contracts I could then obtain from him or anybody else.

Q. Have you any records or recollection as to Peterson's representing steamboat owners as their agent?—A. I know that he obtained the exclusive right to represent the steamboats of New Orleans—I can give a list of them if the committee desire. I have it in connection with the route from New Orleans to Saint Francisville.

Q. Suppose we take up at this point the New Orleans and Saint Francisville route?—A. This route, No. 8014, was advertised in 1871. The committee must remember that we are now proceeding under an entirely different law; that we are outside of the range of the act of May 5, 1870, and proceeding under the general law of the Department as it stood before that act was passed. When we advertised I felt that I had a battle on my hands and I got ready for it. I took every precaution that I possibly could in that year to protect the Department from straw-bidders. I attached to the advertisement of the southern routes this notice: "The certificates for proposals on these routes, 8006, 8007, 8089, 8012, 8013, 8014, 8031, 8043, 8066, 8067, 8082, are required to be signed by a judge of a court of record or by the postmasters at the following offices in Louisiana, viz: New Orleans, Baton Rouge, Shreveport, Monroe, New Iberia, and Washington, or by postmasters at offices of the first, second, or third class in other States;" and "all postmasters signing certificates of guarantors and sureties" were notified that they would be held to a strict accountability for the correctness of their certificates. You will see the reason I did this. In Utah, for instance, they got some postmaster in some small village to make false certificates, and there was always that danger, so I thought I would confine the matter to the postmasters at the more important offices and to the judges of the courts of record, so as to give us some security.

There were several bidders, of whom Jacob A. Pulver was the lowest, and was accepted. Pulver having failed we had to make temporary service, and the best arrangement I could make was with B. H. Peterson, at \$17,000. This service was in lieu of a higher contract previously made by the postmaster at New Orleans with one T. H. Hine, for \$1,670 a month. I refused to ratify that contract and reduced the amount to \$16,000, which was the best I could do. There was no other steamboat-man that we could reach in any way. Then I issued this order on July 22, 1872:

"Modify order of July 15, 1871, by adding, on account of accepted bidder having failed to begin service, and re-advertise route; failing bidder being liable." That was done under the opinion of the Attorney-General that we could not run up the scale.

The bidders under the first advertisement were :

Charles C. Pickett	\$52,000	
James B. Price.....	18,000	
	24,000	Three times a week.
John W. Cannon.....	16,000	
	24,000	Three times a week.
James B. Price.....	12,000	
	20,000	Three times a week.
Peterson & Surls	11,000	
	14,350	Three times a week.
Jacob A. Pulver	5,500	Accepted March, 30, 1871.

Pulver having failed, we made that temporary arrangement with Peterson. Then, under the advertisement of August 4, 1871, the bidders were :

B. H. Peterson.....	\$20,000	Check.
J. W. Parker.....	19,000	
	27,000	Three times a week ; check.
D. T. Parker.....	15,000	
	20,000	Three times a week ; check.
L. T. Anderson.....	14,000	See certificate.
	20,000	Three times a week ; check.
Charles W. Wells.....	13,900	
	34,000	Three times a week ; check.
C. S. Brown	10,500	
	15,000	Three times a week.
Louise S. Burk	6,000	Check.
Orville Edwards, Alexandria, La	2,500	Accepted November 1, 1871 ; failed.

Bids received in pursuance of opinion of Attorney-General, dated January 6, 1872, for service during remainder of contract term, 1871 to 1875, and opened January 18, 1872 :

B. H. Peterson.....	\$16,000	
J. B. Price.....	14,000	
	13,800	
Harlow J. Phelps	12,400	
G. L. Koons	12,400	
C. W. Wills	12,300	
George F. Brott.....	11,500	Withdrawn January 18, 1872.

None of the foregoing bidders below Peterson could execute contract, because Peterson had secured control of all the available boats, as appears by following letter and telegrams on file :

" OFFICE OF MEMPHIS AND SAINT LOUIS
 " UNITED STATES MAIL-PACKET COMPANY,
 " January 10, 1872.

" Hon. JOHN A. CRESWELL,
 " Postmaster-General, Washington, D. C. :

" SIR : Dr. B. H. Peterson, of New Orleans, is hereby authorized to represent and act for the Memphis and Saint Louis United States Mail-Packet Company in any and all matters of business which said company have, or may have, with the contract bureau of the Post-Office Department, in respect to making contracts for carrying the mail, and the extension and performance of such service. This letter of authority is not intended to include or cover the drawing or collecting any money from the Department on account of said company.

" I have the honor to be, very respectfully, yours,

" JOHN A. SCUDDER,
 " President."

Telegrams to Postmaster-General.

B. H. Peterson is the only person authorized to contract for carrying the mail on my boats over route 8010.

W. S. BASSETT,
Steamers E. Heasley and Marcella.

B. H. Peterson is the only person authorized to contract for carrying the mail over route 8006 on my boat, the steamer Robert E. Lee.

J. W. CANNON.

Dr. Peterson, of New Orleans, is the only person authorized to contract for carrying the United States mail over route 8006 on my boat.

CAPT. J. W. CANNON,
Steamer R. E. Lee.

Dr. Peterson, of New Orleans, is the only person authorized to contract for carrying the United States mail over route 8006 on my boat.

CAPT. T. P. LETHERS,
Steamer Natchez.

Dr. Peterson, of New Orleans, is the only person authorized to contract for carrying the United States mail over route 8006 on my boat.

CAPT. J. WHITE,
Steamer Katie.

Dr. Peterson, of New Orleans, is the only person authorized to contract for carrying the United States mail over route 8014 on my boat.

CAPT. J. W. TOBIN,
Steamer Frank Pargood.

I certify that B. H. Peterson has contract and is the agent of the following Red River boats now carrying the mail: Steamers La Belle, Lotus, Number Three, Durfee, I. T. Moore, Convere, Maria Louise, Southwestern, Folly Hodge, and Rapid, until June 30, 1872.

CHAS. W. LOWELL, P. M.

After waiting for more than two months, to enable bidders to comply, and permanent service being refused to B. H. Peterson, the following order was passed:

March 25, 1872.—Orville Edwards, of Alexandria, La., accepted bidder, having failed to begin service 1st January, 1872, continue contract ordered July 13, 1871, with B. H. Peterson, at \$16,000 per annum, until 30th June, 1872, failing bidder being liable.

Re-advertised January 2, 1872.

The bidders were:

I. W. Parker.....	\$25,000 Check \$1,250.
Henry Tisdale.....	\$25,000 Check.
J. W. Tobin, New Orleans, La.....	\$18,000 Accepted April 20, 1872; check \$900.

Q. Do you say that you notified these people that you preferred to contract with them direct?—A. Always; I never lost an opportunity. I re-advertised. The first law had been found defective, and meanwhile the law had passed which required checks to be filed in all cases where the bids exceeded \$5,000. It required that the bidder should put in a check of not less than 5 per cent. of the amount of his bid. The straw-bidders defeated that by bidding less than \$5,000 and putting in no check. I had that law changed so that the check should be 5 per cent. on the last contract-price. Well, the checks began to come in largely; Tobin made a bid of \$18,000, which was higher than Peterson's price, but I was determined to break up Peterson's ring, and I did let the regular contract to Tobin on the 20th of April, 1872. Here is the letter of the postmaster at New Orleans, July 18, 1871, contracting with Hine for \$20,040, which arrangement I rejected and reduced the price to \$16,000.

“NEW ORLEANS, July 1, 1871.

“SIR: The contractor on mail-route No. 8014, from New Orleans to Saint Francisville, La., having failed to appear in person, or by his agent, for the mail, and being unable to ascertain the cause of the contractor's non-appearance, thereby making an absolute and unquestionable failure on his part, I have this day made a contract for temporary mail-service over said route, subject to the approval of the Postmaster-General, with T. H. Hine, of New Orleans, La., he having submitted to me the lowest proposition, at \$1,670 per month.

“I wrote to Mr. J. A. Pulver, to whom the contract for this route was awarded, notifying that service was to commence on July 1, but have received no reply.

“Very respectfully,

“C. W. LOWELL,
“Postmaster.

“Hon. G. A. SMITH,

“Second Assistant Postmaster-General.”

This Saint Francisville route has been criticised as being a double service. It is not a double service; it is a local service on the Mississippi coast, from New Orleans northward. The through boats from New Orleans to Vicksburgh stop at no point that they can avoid, and we have to do the local business by another line of steamers. We use the railroad

whenever we can, but there is a large range of country there called "the coast," which we can only reach by a local steamboat-service from New Orleans to Saint Francisville.

There has been a good deal said about the route from New Orleans to Jeffersonville. When I went into the Department there was no service on the Red River, but there was a land-service across the country. That service was most unsatisfactory, and it is bound to be so until the end of time. If you put the service on the land, there is part of the year that they cannot run, because the country is inundated and the roads washed out; if you put it on the river there is a part of the year when they cannot run because the water is so low.

By Mr. AINSWORTH:

Q. You are speaking of service on the rivers up near their sources?—A. Yes, sir; on all rivers whose navigation depends on freshets; at one time the boats are running all over the flat country and at another they are bumping over sand-bars. I received several petitions in relation to the mail-service on Red River.

LOUISIANA, July 17, 1869.

No 8103—*New Orleans to Jefferson, Tex.*

One hundred and twenty-five citizens and firms of Jefferson, Tex., Shreveport, Alexandria, and New Orleans, petition for steamboat-service, via Mississippi and Red Rivers, between points mentioned, accompanying which is a letter, signed by Brevet Major-Generals Beckwith and Myers, representing the necessity of the service, stating that military posts on Red River and Northeastern Texas are dependent upon New Orleans for supplies; that they are indebted to politeness of officers of steamboats for transmission of letters required to be sent expeditiously, and request arrangements be made for said service, which is indorsed and approved by Brevet Major-General Mower, United States Army; General W. T. Sherman signed same on July 29, 1869, and by John A. Rawlins, Secretary of War, who signed July 30, 1869.

Curtailments may be made as follows:

Route 8060.....	\$8,432 20	} Curtailed after order of Sept. 16, 1869, was passed. See below.
Route 8020.....	2,323 33	
Route 8058.....	342 90	
	11,098 43	

Accompanying the petition is a proposition of B. H. Peterson to carry mail by steamboat for \$36,000, September 16, 1869. Service urged by William T. Clark and L. D. Evans.

September 16, 1869.—Order given by General Giles A. Smith to contract with B. H. Peterson, of New Orleans, to convey the mails in steamboats from New Orleans to Jefferson, and intermediate offices, eight hundred miles and back, three times a week, from October 1, 1869, to June 30, 1871, at \$30,000 per annum. A sufficient number of route-agents to be employed and subsisted without expense to the Department.

On same day, September 16, 1869, Peterson put in bid at \$30,000 per annum.

Complaints were made about that service, and special agents were sent down, one of whom was Mr. Holbrook. He reported that he found there a steamboat captain, who criticised that service, and thereupon I sent another special agent down to make an examination in detail, and he made the following report:

"Galveston, Tex., September 16 1870.

"SIR: In regard to the mail-service by river to Jefferson, Tex., I have to say that on arriving at New Orleans I inquired of Special Agent Monroe and of the deputy postmaster the whereabouts of the contractor on this route, and from the way in which I was answered I was convinced that there was a feud or controversy between them, and I determined to make no inquiries of either contractor or special agent.

"I have made careful inquiry of such men as Colonel Hurey, one of the largest Red River planters above Shreveport, a man of large means and business qualifications; he is the man who had the contract for removing the raft in Red River before the war. Also, of Mr. Fergusson, manager and partner of one of the largest commission-houses in New Orleans, of Major Gaines, and other business men, who are conversant with the interests of Red River, and whose trade comes from that portion of the country, and all united in representing the service as one of great usefulness to the people of the section supplied. I am convinced that the service is a success.

"Very respectfully, &c.,

"JOHN M. OLIVER,

"Special Agent Post-Office Department."

"Gen. GILES A. SMITH,

"Second Assistant Postmaster-General, Washington, D. C."

Under first advertisement, contract was awarded on March 30, 1871, to William Williams, for \$7,500.

July 13, 1871.—Accepted bidder having failed, a temporary contract with B. H. Peterson was ordered, at \$29,000 per annum, from 1st July to 31st December, 1871, or until otherwise ordered.

Re-advertised August 4, 1871.

November 1, 1871.—Bid of J. M. Martin for \$4,000 accepted, but he failed.

Bids received in pursuance of opinion of the Attorney-General, dated January 6, 1872, for service during remainder of contract term, 1871 to 1875, and opened January 18, 1872:

B. H. Peterson.....	\$30,000	
G. L. Kouns.....	27,475	Three times a week; \$100 round trip for the other three secular days, or as many trips as may be made.
J. B. Price.....	24,000	Withdrawn.
	23,000	Do.
Harlow J. Phelps	17,250	Do.
George F. Brott.....	15,000	
C. W. Wills.....	14,440	Withdrawn.

January 29, 1872.—Contract with G. L. Kouns, of New Orleans, to carry mails three times a week, from date of beginning of service to 30th June, 1875, at \$17,499 per annum, with the understanding that if said Kouns fails to commence service within thirty days from date of this order, the contract shall be forfeited. This contract is ordered under act of March 3, 1845, and in accordance with opinion of Attorney-General of January 6, 1872.

February 8, 1872.—Let order of January 29, 1872, go into effect February 1, 1872.

February 8, 1872.—Continue service under contract with B. H. Peterson to 30th January, 1872, from which date annul contract.

February 14, 1872.—Contractor having begun service 1st February, 1872, refer to auditor to deduct \$144, being pro rata for service from 29th to 31st January, 1872.

May 11, 1872.—On account of frequent failures and impracticability of the regular performance of the service, annul contract and discontinue service from 31st May, 1872, and refer to inspection division to make fines and deductions for failures of trips and omission to supply intermediate offices.

May 11, 1872.—Authority was given to postmasters at New Orleans and Shreveport to send mails, not exceeding three times a week, to intermediate points, to be paid for by postmasters at \$25 per trip.

This order passed on recommendation of Hons. J. H. Sypher, L. A. Sheldon, and W. P. Kellogg, and against the protest of Hons. J. W. Flanagan, Frank Morey, and C. B. Darrell, Senator West, and Hons. W. S. Herndon and J. W. Conner.

See protest filed May 1, 1872. See letter of seventy-one New Orleans merchants and firms, April 5, 1872. (Printed in appendix to Mr. Creswell's testimony.)

I was very glad to get rid of that service, and as soon as the delegations in Congress from Louisiana and Texas divided among themselves, I availed myself of that division to get rid of the service; but there was the greatest urgency for the continuance, from merchants and others along the line.

By Mr. CANNON:

Q. There was a service from New Orleans to Vicksburgh or Saint Louis, by the large boats, and from New Orleans to Saint Francisville by way-boats. In establishing that service, why did you make it from New Orleans to the head of Red River instead of to the mouth of the same?—A. Because the boats all dealt with New Orleans. They greatly preferred to have it in that way, and so did the New Orleans merchants. They wanted their communication direct with Red River.

Q. In that contract, was it expected that the boats performing the Red River service should do way-mail service between the mouth of Red River and New Orleans?—No, sir; they would not stop for it. They would do way-mail service on Red River, but they would not undertake to stop at intermediate points between the mouth of Red River and New Orleans.

Q. What other river-routes have you?—A. I want to say that this man Kouns, to whom the contract here was awarded, is the very person of whom Holbrook spoke as complaining to him of the insufficiency of the service. When he got it he broke down, and the merchants united in an application for the renewal of the service and compared the inefficiency of his service with the efficiency of the service under Peterson. There has been some objection to a deduction that was allowed on the route from Monroe to New Orleans. That was a contract which was executed before I went into the Department. The name of the contractor was Andrew M. Smyth; his contract continued up to the 30th of June, 1871. It was a contract between New Orleans and White River. After the execution of this contract and after he had made his arrangements to carry the mails, the railroad was completed from Vicksburgh to Monroe. As soon as that was done the postmaster put the through-mails on from New Orleans by way of Vicksburgh to Monroe by rail. This man Smyth failed to

carry the mails by steamer, only because they were not placed on board his boat. He made his trips, as was proved by the testimony in the case, but he was not furnished the mails to carry. I have here an abstract, showing the action taken and the papers upon which it was taken, which I will read :

Action taken by the inspection office on steamboat-route No. 8105, from New Orleans to Monroe La., Andrew N. Smyth, of New Orleans, La., contractor, for twice-a-week service, from July 14, 1870, to June 30, 1871, at \$20,000 per annum.

I. A deduction of \$1,730.70 and a fine of \$15 were made for the quarter ending September 30, 1870, (see case E,) under date of November 22, 1870, on the following papers as evidence, (marked by letter or No. :)

1. Registers from New Orleans for July, August, and September, 1870. (See E, 2, 3, and 4.)
2. Registers from Harrisonburgh for September, 1870. (See E, 5 and 6.)
3. Register from Monroe for September, 1870. (See E, 7.)
4. Letter from postmaster at Harrisonburgh of September 8, 1870. (See E, 8.)
5. Letter from postmaster at Columbia to postmaster at Monroe of September 12, 1870. (See E, 9.)
6. Letter from postmaster at Monroe of September 13, 1870. (See E, 10.)
7. Letter from postmaster at Monroe of September 14, 1870. (See E, 11.)

From these it appears there was no arrival at New Orleans August 5 and 29; no arrival at Monroe prior to September 11; no arrival at Monroe September 22; failures to supply Harrisonburgh September 10 and 13 and September 11 and 18, [deduction made for 11 and 18(?)] and Columbia, September 11, 1870; and that service between Harrisonburgh and Monroe commenced September 5, 1870, on this route, and ceased September 8, 1870, on route No. 8026.

II. A remission of \$1,538.40 was made February 18, 1871, (see E, 1, back of case E,) on the following :

1. Affidavit of George P. Work, master of steamer Tahlequah, under date of December 28, 1870. (See H.)
2. Letter from postmaster at New Orleans of February 2, 1871. (See A.)

These give, as a reason for failures to deliver mail at Monroe on the days named, (and for which deduction was made,) the statement that no mail for Monroe was delivered to the boat, the mail for Monroe being sent by railroad; and that boats due at New Orleans August 5 and 29 were delayed by foggy weather, but arrived respectively August 8 and September 1. This remission covers sixteen of the reported failures, considered sufficiently excused.

III. A deduction of \$2,499.90 for quarter ending December 31, 1870, was made March 22, 1871, (see case F,) on the following reports :

1. Registers from New Orleans for October and December, 1870. (See F, 2 and 3.)
2. Register from Monroe for October, 1870, especially report on the back of this register. (See F, 4.)

These do not show any arrival at New Orleans October 1, December 18, and 21, nor at Monroe during the quarter, except October 3, 6, and 11, 1870, and the postmaster at Monroe states, on the back of his register, that the boats cannot make regular trips on account of low water, and recommends curtailment of route at Columbia.

IV. A deduction of \$1,346 for the quarter ending March 31, 1871, was made May 12, 1871, (see case G,) on the following reports :

1. Register from New Orleans for January, 1871. (See G, 2.)
2. Register from Harrisonburgh for January, 1871. (See G, 3.)
3. Registers from Monroe for January, February, (?) and March, 1871. (See G, 4, 5, and 6.)

These show four failures to arrive at New Orleans and ten failures to arrive at Monroe, and that from Harrisonburgh states that boats arrive and depart twice a week, but not on regular days.

V. The deductions made March 22 and May 12, 1871, were remitted August 22, 1871, (See F, 1, and G, 1,) on the following evidence :

1. Letter from postmaster at New Orleans of April 21, 1871. (See S.)
2. Letter from A. W. Smyth, contractor of April 26, 1871. (See T.)
3. Letter from J. W. Fairfax to L. A. Sheldon, M. C., of June 7, 1871. (See D.)
4. Affidavit of A. W. Smyth, contractor, of June 6, 1871. (See I.)
5. Affidavit of John C. Sinnott (agent for steamboats) of June 6, 1871. (See J.)
6. Affidavit of E. L. Israel (master of Seminole) of June 17, 1871. (See K.)
7. Affidavit of G. P. Work (master of Tahlequah) of June 17, 1871. (See M.)
8. Affidavit of Richard Sinnott (master of Trenton) of June 20, 1871. (See L.)
9. Letter of postmaster at New Orleans of July 24, 1871. (See C.)
10. Affidavit of Richard Sinnott and G. P. Work of July 25, 1871. (See N.)
11. Receipts for mail sent from New Orleans for September, October, November, and December, 1870, and January, February, and March, 1871. (See Q, 1-58, inclusive.)
12. Letter from A. W. Smith, contractor, of July 25, 1861, referring to affidavits and receipts sent by R. W. Adams. (See R.)
13. Affidavit of G. P. Work, R. Sinnott, and E. L. Israel of August 11, 1871. (See O.)

These papers show that no mails were sent from New Orleans to Monroe, via route No. 8105, after July 2, 1870; that the only mails sent from New Orleans by said route were for intermediate points between New Orleans and Monroe; that two failures to land at New Orleans were caused by the boat breaking her machinery; that contractor made arrangements for carrying the mail and at such rates that the deductions, if sustained, must prove ruinous; that the case of the first deduction was explained to General Giles A. Smith and he kindly had the penalty remitted; that during October, November, and December the boats made semi-weekly trips; that failure to deliver mails at Monroe was owing solely to the fact that no such mails were given for delivery there; that failures to deliver mails at New Orleans October 1 and November 18 and 21, 1870, were caused by unavoidable difficulties of navigation, and that said mails were delivered, respectively, October 5 and November 19 and 22, 1870; that mails were sent from New Orleans by this route on fifty-eight different dates from September 1, 1870, to March 29, 1871, inclusive; that these mails were received at various points on the route; that mails were delivered at Monroe, as shown by mail-receipts dated at New Orleans, September 7, 10, 14, and 17, October 1, 5, and 12, and December 31, 1870, and that during the year ending June 30, 1871, the boats did carry at all times what was known as a way-mail bag; regularly reported at each post-office for delivery and receiving any mails; always made two trips per week during said year, and were ready and prepared at all times to carry the mails on route 8105 to and from New Orleans and Monroe, inclusive. (For full copies of papers in this case see Appendix.)

By Mr. AINSWORTH:

Q. Was there any other route along the river by which these intermediate points could have been supplied save by boat?—A. No, sir; and that route was discontinued at the end of that contract term.

Q. What was substituted for it then?—A. I cannot say just now without reference to the records. Probably a series of land-routes were established. But to stop the existing service immediately after the completion of the railroads would have cost, first, the usual month's extra pay, and to put temporary service on for so short a time would have cost a great deal more than we were paying Smyth.

Q. That contract had been made by your predecessor?—A. Yes, sir; I had nothing to do with it except in regard to the disposition of these fines and penalties.

I have here a brief statement of the awarding of mail-route 7505, White River to Vicksburgh, 229 miles and back, twice a week by steamboat.

This route was advertised September 30, 1870, inviting proposals for service from 1st July, 1871, to 30th June, 1875, under which bids were received as follows:

J. M. Tebbetts.....	\$11,800
J. T. Chidester.....	11,800
Alfred Lee & Co.....	10,000
William English.....	8,000
Memphis and Saint Louis Packet Company, James Scudder, president.....	7,000
Edward P. Doherty & Company.....	6,840 accepted March 30, 1871.

The bid of Doherty & Co. being the lowest was accepted, but they failed to begin service on the 1st July, and the postmaster at Memphis arranged with the Saint Louis and Memphis Packet Company to carry mails temporarily, the rate of pay to be the same as that at which the service might be let hereafter.

When the failure of the accepted bidder was reported in July, 1871, the Postmaster-General, being in doubt as to the legality of awarding the service to the next lowest bidder, the matter was referred by him to the Attorney-General, who decided that in such cases the service could not be awarded to the next lowest bidder, but should be re-advertised, and temporary service employed in the mean time. Accordingly on the 4th August, 1871, this route with a number of others, in a similar condition, was re-advertised, inviting proposals for service from 1st January, 1872.

Pending this action offers were received for temporary service as follows:

	Per annum.
J. J. Hinds.....	\$25,000
Saint Louis and Memphis Packet Company.....	20,000
B. H. Peterson.....	18,400

B. H. Peterson being the lowest bidder, the temporary contract was made with him for service from 1st August to 31st December, 1871, at his bid.

Under the advertisement of August 4, before referred to, bids were received as follows:

B. H. Peterson.....	\$18,400
J. T. Chidester.....	17,489
C. D. Woolworth.....	12,000
J. W. Parker.....	7,950
L. T. Anderson.....	7,200
Thos. J. Shinn.....	7,000
C. S. Brown.....	6,890
James Gaylord.....	3,000 Accepted November 1, 1871.

Gaylord's bid being the lowest was accepted, but he failed to begin service on 1st January, in compliance with same, and the route was again re-advertised January 2, 1872, inviting proposals for service from 1st July, 1872, the temporary service of Peterson being continued, at the same rate, to the latter date.

Under the advertisement of January 2, 1872, bids were received as follows :

Bodine C. Peterson	\$18,000
J. W. Parker	15,000
Henry Tisdale	7,720
J. U. Austin	4,979 Accepted April 20, 1872.

The latter bid, being the lowest, was accepted, but was afterward shown to be fraudulent, the certificate of the postmaster to the sufficiency of guarantors having been forged. By an act of Congress approved April 27, 1872, the Postmaster-General was directed, in case of the failure of the accepted bidder, to "contract with the next lowest bidder for such service who will enter into a contract and perform the same." Under this law the service on this route was awarded to Henry Tisdale, the next lowest bidder, on the 15th of May, 1872, but he declined to accept it. It was then awarded, June 6, 1872, to the next bidder, J. W. Parker, and he declined; and then, on the 13th June, 1872, it was awarded to the next bidder, Bodine C. Peterson, at \$18,000 per annum, who accepted, executed contracts, and performed the service on the route.

On the 17th March, 1873, an order was made to increase service to three trips a week, allowing \$9,000 per annum pro rata additional, at the solicitation of Hons. Frank Morey and O. P. Snyder, of the United States House of Representatives, and J. L. Alcorn, Powell Clayton, S. W. Dorsey, and A. Ames, of the United States Senate.

Here is an abstract of the action taken in relation to route 8006, which I make a part of my testimony. That route is from Vicksburgh to New Orleans, three times a week. Under first advertisement :

William Williams.....\$7,000 Three times a week ; (failed.) Accepted March 30, 1871.

July 13, 1871.—Contract with B. H. Peterson, of New Orleans, La., to carry mails three times a week from July 1 to December 31, 1871, or until otherwise ordered, at \$37,500 per annum, and re-advertise route, failing bidder being liable.

Re-advertised August 4, 1871.

November 1, 1871.—Accepted R. T. Long, \$4,700.

 Bids received under opinion of Attorney-General dated January 6, 1872 :

B. H. Peterson	\$37,500	
J. B. Price	35,000	
C. W. Wills.....	33,000	
George F. Brott.....	31,000	Withdrawn.
Harlow J. Phelps.....	30,000	
G. L. Kouns	29,970	

January 25, 1872.—Contract with G. L. Kouns, of New Orleans, to carry mails three times a week from beginning of service to 30th June, 1875, at \$29,970, with understanding that if said Kouns fails to commence service within thirty days from date of this order the contract shall be forfeited. (That was to prevent collusion between him and the temporary-service man.) Contract ordered under act of March 3, 1845, and opinion of Attorney-General of January 6, 1872. (13 Opinions of Attorneys-General, 565.)

February 6, 1872.—Continue service under contract with B. H. Peterson to 30th January, 1872, from which date annul contract.

May 3, 1872.—Contract under order of January 25, 1872, not having been executed, and evidence having been filed that G. L. Kouns has failed to provide for the transportation of Saturday's mail, therefore revoke order of January 25, 1872, and send out new contract with G. L. Kouns, of New Orleans, La., for service twice a week, departing from New Orleans on Tuesdays and Thursdays, and arriving at and departing from Vicksburgh on days and hours satisfactory to the Department, at \$19,980 per annum, being pro rata of amount allowed under order of January 25, 1872, from May 4, 1872, to June 30, 1875.

May 3, 1872.—Contract with Thomas P. Leathers, of New Orleans, for service once a week, departing from New Orleans Saturdays and arriving at and departing from Vicksburgh on a day and hour satisfactory to the Department, at \$10,000 per annum from May 4, 1872, to June 30, 1875. This service is to be in addition to service ordered this day with G. L. Kouns.

No. 30093.—New Orleans to Vicksburgh.

1875.—Under regular advertisement of 1874 contract was awarded to Matthew Draper, at \$27,300 per annum, but he failing to comply, temporary service was performed by Messrs.

T. P. Leathers, J. W. Tobin, and J. W. Cannon from July 15 to September 3, 1875, and they were paid \$3,939.69 therefor, being at the rate of \$192.18 per round trip.

September 4, 1875. —The proposal of \$37,500 per annum, the only one received under the advertisement of July 15, 1875, having been declared "too high" by the Postmaster-General, and the same having been rejected, contract with Messrs. T. P. Leathers, J. W. Tobin, and J. W. Cannon, of New Orleans, La., for service from September 4, 1875, to June 30, 1878, three times a week, each way, in suitable and safe steamboats, at the rate of \$35,000 per annum, being in accordance with the proposition submitted by Mr. T. P. Leathers, in behalf of himself and Messrs. Tobin & Cannon, and according to the provisions of section 264, p. 49, Postal Laws and Regulations.

Q. That was keeping the service three times a week?—A. Yes, sir. The trouble was that certain parties got control of the steamers, and Kouns could not make his three trips a week. The route was apportioned in that manner in order to break up that arrangement; Kouns was allowed to run his two trips a week, and Leathers run the other trip, but the aggregate did not exceed Kouns's bid.

By Mr. CANNON:

Q. Was there ever any favoritism shown by you while you were Postmaster-General to this man Peterson?—A. Never in any shape or form. Peterson got simply what he was in a position to exact from the Department and only that; I broke up his arrangement of chartering steamers just as soon as I could.

By Mr. WALLACE:

Q. You did not think that he was entitled to very much?—A. Well, I did not approve of that way of doing business. I wanted these men to come themselves and deal with the Department, and not send a man in that way, giving him control of all the steamers and power to put up the rates just as he pleased. I wanted fair competition.

By Mr. CANNON:

Q. I believe one gentleman has testified that he had good reason to believe that your judgment and action were controlled without reference to what you wanted to do in awarding contracts to Peterson for this steamboat-service by the late Secretary Belknap?—A. I have no recollection that Secretary Belknap ever spoke to me about Peterson in his life, and I am sure that if he had spoken and had proposed any favoritism, Peterson would not have received it; but I am entirely sure that he never intimated any such thing to me.

Q. Have you any papers in reference to the Fort Concho route in Texas?—A. The only papers I have here is one to show how much Sawyer's routes were reduced when I first came in. I cannot put my hand on the paper at this moment, but I remember that they were reduced by me by a special order \$90,432 below what they were when I came in, and they never were increased in my time nor have they been since, to my knowledge.

Q. Were most of Sawyer's routes in Texas?—A. Almost all of them were in Texas or leading down from the Indian Territory into Texas. I have now found the paper; it is as follows:

Statement of reduction of pay and service on route 8530 and its branches, by order of June 24, 1869.

Route in operation and pay on same as follows:

San Antonio to El Paso, 700 miles, three times a week.....	\$200 000
San Antonio to Eagle Pass, 182 miles, three times a week	26 418
Fort Concho to Fort Smith, 565 miles, three times a week.....	100 000
Camp Stockton to Presidio del Norte, 150 miles, once a week.....	7 258
	333 676

From San Antonio to El Paso, schedule was lengthened from 6½ to 8 days, and \$36,896 per annum was deducted. This order was modified August 24, 1870, so as to make the amount to be deducted \$22,705.

Service between Fort Concho and El Paso, 470 miles, reduced to two trips a week, deduct	\$36 503
Fort Concho to Fort Smith, service reduced to twice a week, on 380 miles, deduct.....	22 418
From San Antonio to Eagle Pass, service reduced to twice a week, deduct.....	8 806
	90 432

By Mr. CANNON:

Q. Have you any other papers here with you bearing upon the postal service?—A. Yes; I have some tables with me showing the character of that temporary service, how it was put on, showing the routes in Arkansas and Louisiana, and showing that in every case we

obtained just the lowest rates it was possible for us to get, in many cases reducing the prices proposed by postmasters, and in other cases reducing the prices proposed by the parties themselves. Temporary service is, of course, higher than regular service.

Q. The law allowed the postmasters at the end of the route to contract for temporary service?—A. Yes.

Q. And those tables show that some of those contracts were set aside and better prices obtained?—A. Yes, sir.

Q. And they show also terms somewhat lower than the regular rates?—A. No, sir; rather higher, but the best we could obtain. For temporary service you, of course, want the service put on immediately; you cannot wait for a man to stock the route, and you are largely dependent on the old contractors or men having a great deal of stock on hand. These tables I believe to be correct; they were not made by me, but they were made by Mr. French at my instance.

The CHAIRMAN. If you put them in as your evidence, you will have to testify to them.

The WITNESS. I can only testify to them as French gave them to me. I want to say, in conclusion, that while I was in the Post-Office Department I made it a point to examine carefully into the operation of every bureau, and I never let an opportunity slip of improving either the organization or the management of a bureau, and I believe that very great and important improvements were made while I was there. In the first bureau, which has charge of the free-delivery system, very great improvements have been made and the bureau largely extended. The money-order branch of the Department was also very largely extended, and it was looked after very closely. The supplies for the Department, from the most unimportant to the most important, were reduced to the very best system, and supplies of the best character were furnished at the lowest prices. One very great improvement was in the adoption of the system of bids by specified articles instead of by a list; that change secured us the lowest price on each article, and got rid of a great nuisance, "combination bids." A great deal of attention was paid to this matter of straw-bidding, and I think we worked it out pretty well. The results shown in the letting of 1874 were very satisfactory. In the letting in the western section of country in 1874, there was a reduction of five or six hundred thousand dollars; part of that was owing to the fact that the country had been settled up to a great extent, and routes had become established, but a great deal of it I think was attributable to the vigor, energy, and persistency of the Post-Office Department.

By Mr. CANNON:

Q. From your experience as Postmaster-General touching legislation in reference to the letting of mail contracts, in your opinion, would it be wise to give the Postmaster-General greater discretion than he has under the law?—A. I think it would, sir; and the best evidence of that is in the results obtained in our foreign service, where the Postmaster-General has almost unlimited discretion. I think the foreign service has been reduced to as near a perfect system as you can get it, and at the lowest possible rates. All that was done without any limitation or restriction upon the Postmaster-General under the law. I think the Postmaster-General should have a larger power. I asked for it in 1870 in my report, and again in 1871.

Q. State what was done in the trans-Atlantic service, where you had unlimited discretion?—A. Shortly after I came into the Department, in 1869, I had a battle with the steamships. We had made postal conventions with foreign countries, and especially with Great Britain, by which the rates of foreign postage were greatly reduced. In 1868 foreign postage was 24 cents per single rate; in 1869 it was brought down to 12 cents. Shortly after I came in, I made an extension of the treaty, by which the postage was brought down to 6 cents. That necessarily involved a reduction of the cost of transporting the mails. It had been formerly as high as 50 cents an ounce, and afterward 25 cents, but early in my administration it was brought down to 6 cents an ounce, which made it, in fact, about 2 cents per letter, because it is found by experiment that letters, on an average, do not weigh in excess of one-third of an ounce, and the compensation we paid was adjusted by the weight of the mails. The steamship companies threw down the mails and said they could not carry them at the prices. The companies that took that course were the Inman line, Cunard line, and the Bremen and Hamburg lines—all the fast lines. I went to New York to obtain assistance from Williams & Guion. They put on a comparatively slow vessel, and after some negotiation we secured the withdrawal of the Bremen line from the combination, and they put on one vessel a week. Afterward the Hamburg line withdrew from the opposition combination, and then the other lines came in and became very anxious to get the mails. We then made another change, which I considered the most important of all. We abandoned the whole system of contracts. We took the fastest steamer offering on any day, no matter of what line, and we determined in the middle of each month what vessels we would take for the succeeding month and advertised our list of out-going steamers. In that way we secured the fastest steamer going out of any port in the United States on any given day, at the minimum cost.

Adjourned to Monday, May 29, at 10 o'clock a. m.

WASHINGTON, May 29, 1876.

J. A. J. CRESWELL recalled.

The WITNESS. Referring to the general subject of inland mail-transportation, I desire to say that the records of the Department show that, between the 6th of March and the 30th of June, 1869, an aggregate saving of \$898,939 per annum was effected by curtailing and discontinuing useless and unnecessary mail service, viz :

In California, Oregon, and the Territories.....	\$254,696
In Texas, including route from San Antonio to El Paso.....	\$217,612
In Texas on other routes.....	2,015
	219,627
In the other States.....	40,853
Overland route, Wells, Fargo & Co., contractors.....	349,163
Route from Cheyenne to Denver, contract expired June 30, 1869; readvertised but not let, lowest responsible bid.....	34,600
	898,939

A comparison between the fiscal year ended June 30, 1870, and the preceding fiscal year, ended June 30, 1869, will make the following exhibit :

Fiscal year.	Number of mail-routes.	Aggregate length of routes.	Total annual transportation.	Total amount cost.
		<i>Miles.</i>	<i>Miles.</i>	
Ended June 30, 1870	8,861	231,232	97,024,996	\$10,884,653
Ended June 30, 1869	8,449	223,731	90,723,403	10,406,501
Increase June 30, 1870.....	412	7,501	6,301,593	478,152

The annual percentage of increased miles of transportation in the fiscal year ended June 30, 1870, was 6.49 per cent., while the annual percentage of increased cost, including the cost of additional railroad service, was only 4.39 per cent. The annual cost of increased service on railroad-routes was \$405,221, the aggregate length of which was increased 4,190 miles during the fiscal year 1870. Excluding the additional cost of railroad-service, (for which fixed rates of mail-compensation are prescribed by law,) the increased annual cost of all other descriptions of mail-service during the fiscal year 1870 was only \$72,931—about 1.28 per cent.

On January 1, 1871, the annual cost of inland mail-transportation was \$11,351,860, an excess of \$467,207 over the annual cost thereof on June 30, 1870. The increased annual cost of 2,040 miles of additional railroad-service during the same period was \$479,641, or \$12,434 more than the entire excess. Excluding the increased cost of railroad-service, the annual cost of the inland mail-transportation on January 1, 1871, was \$12,434 less than it was on June 30, 1870, although in the intervening period all the mail-routes in the great northwestern section, embracing the States of Missouri, Tennessee, Kentucky, Indiana, Illinois, Michigan, Wisconsin, Iowa, Minnesota, Nebraska, Kansas, Nevada, California, Oregon, and all the Territories, had been put under new contracts, securing increased and greatly improved facilities of mail-communication. Under this new letting of contracts a saving of \$248,137 per annum was effected on nine of the principal routes in the Territories and Pacific States as compared with the cost of the service on the same routes under the previous contracts.

The general result for the half year correctly appears in the following :

Comparative statement.

Year.	Total cost of transportation.	Cost of railroad- service.	Cost of all other descriptions of service.
January 1, 1871.....	\$11,351,860	\$5,608,542	\$5,743,318
June 30, 1870.....	10,884,653	5,128,901	5,755,752
		479,641	
		467,207	
Increase.....		12,434	
Decrease.....			12,434

On June 30, 1871, the annual cost of inland mail-transportation was \$11,529,395, an excess of \$177,535 over the annual cost thereof on January 1, 1871. The increased annual cost of 4,067 miles of additional railroad service during the same period was \$116,437. Excluding the increased cost of railroad service, the increased annual cost of the inland mail-transportation on June 30, 1871, was \$61,098 over the annual cost on January 1, 1871. The large increase in the cost for railroad service on the 1st of January, 1871, is owing principally to the re-adjustment of the railroad-pay throughout the United States between the 1st of July, 1870, and the 1st of January, 1871. It may be expressed in tabular form, as follows:

Year.	Total cost of transportation.	Cost of railroad-service.	Cost of all other descriptions of service.
June 30, 1871.....	\$11,529,395	\$5,724,979	\$5,804,416
January 1, 1871.....	11,351,860	5,608,542	5,743,318
Increase.....	177,535	116,437	61,098
	116,437		
	61,098		
June 30, 1871.....	11,529,395	5,724,979	5,804,416
June 30, 1870.....	10,884,653	5,128,901	5,755,752
Increase.....	644,742		48,664
	596,078		
	48,684		
Decrease January 1, 1871			12,434
			61,098

During the three years commencing on the 1st of July, 1868, and ending on the 30th of June, 1871, the total annual cost of transportation increased only \$1,263,330; or, to state the same fact more in detail, railroad-service increased \$1,547,853, steamboat-service increased \$126,312, whilst all other service, known as "star" service, decreased \$410,826. The decrease in the cost of star service was effected notwithstanding Congress established within the same three years no less than 1,899 new post-routes, and large additions and improvements were made on the old routes.

By the CHAIRMAN:

Q. Give the committee an idea of about the aggregate of the increase of service on those routes to which you refer in this tabulated statement, the inland transportation exclusive of railroads.—A. That would require a separate investigation.

Q. You do not know, then, how much the increase of service would be?—A. The increase of service is all calculated in this paper.

Q. But I mean you do not know in what the increase of service on these routes were after 1871?—A. No; I could not say that without investigation.

Q. There was an increase of service on these routes up to when?—A. Eighteen hundred and seventy-two, I think.

Q. Eighteen hundred and seventy-four would it not be?—A. The term expired in 1874.

Q. Then there might be increase of service up to 1874?—A. Yes; that is something that is coming up all the time.

Q. Referring to this increase of service on the route from Kelton to Dalles, was that increase after 1871?—A. That I do not remember, but the record which I have shown will give the exact date. The date of every order is given.

Q. That route from Kelton to Dalles was increased from six times a week to seven?—A. Yes.

Q. The increase was made on the strength of the letters which you have put in evidence from members of Congress and citizens of the Territory?—A. Yes.

Q. Were there any remonstrances of any kind ever filed in the Department in regard to extension or increase of service on this route?—A. Not that I remember.

Q. Did no parties from the Territory, or other persons, make any statements in regard to increase of service to seven times a week on that route?—A. None that I remember.

Q. Was there any report of special agents?—A. Not that I remember. If so, they

are on file. I do not remember seeing them, although I have been recently through the papers.

Q. These papers which you have produced in evidence as sustaining you in granting the increase of service do not include all the papers that were on file in regard to that route?—A. I think they do, sir, on that issue.

Q. Your impression is that there were no papers in the way of remonstrances?—A. Yes; that is my impression.

Q. Was there any personal interview with you by men in the Territories in regard to that service?—A. I do not remember of any. It has been six years ago, however, and in the multiplicity of calls in the Department it is almost impossible to remember personal interviews. I have been sometimes for hours in the Department when it would be my duty to turn almost momentarily from one person to another, and I could not remember anything of that kind.

Q. Was it objected that it was unnecessary to increase service on these long mountain-routes to seven times a week?—A. No; but the whole theory of the thing was changed by the completion of the Pacific Railroad. Instead of having a mail come from some remote point, they had a mail delivered at Kelton every day, Sunday included, and the point was that the mail was a large one, and it would be better to divide it into seven mails a week instead of six.

Q. Did not the same reasons apply for running the mail seven times a week on the Boisé City and Winnemucca route as applied to the Kelton and Dalles route?—A. No; because the great eastern mail went by this route from Kelton. The western mails went up by California to Oregon, but all the great mails from the East went by this route from Kelton.

Q. What would be the difference of time in a daily mail arriving from Boisé City and running from Kelton?—A. I cannot tell you what it would be.

Q. What I want to get at is this: The only difference, so far as the people of Boisé City are concerned, and the places beyond, would be the difference of time so far as the mail was concerned between Winnemucca and Kelton.—A. The people were anxious to have that line established and maintained from Kelton to Dalles, as you see from the numbers of letters that have been filed here. The entire country seemed greatly to prefer that that line should be made and maintained, and they asserted that it was a better line than any other, for the reason that the most of their communications, they alleged, were with the East.

Q. It has been stated by Underwood or somebody else that it would have made about twelve hours difference on the railroad.—A. That would be easily ascertained by the time-table of the railroad. You will notice by those letters that there was a great deal of feeling on that point. We at one time meditated dispensing with those lines.

Q. I understood you to say that you were opposed personally to the increase of the service from six times a week to seven times—you thought six times sufficient?—A. Yes; I was induced to make these changes only upon the strong recommendation of the people.

Q. Your impression was that six times was sufficient?—A. Yes.

Q. And you did it only because the recommendations were of such a nature that you did not think you could disregard them?—A. Yes; and the argument they based upon the delivery of the mails by the railroad.

Q. Is there no other mail-route in the western country where the same reasons would apply for the establishment of a service seven times a week?—A. I do not now know about that.

Q. I understand the reason to be that the mails arrived seven times a week on the railroad and that they wanted a mail out seven times a week because they desired a daily mail.—A. Yes; and the quantity of the mail was so great that two days' mail was very often more than could be easily carried, or indeed than they could carry at all in the stage going out from Kelton.

Q. Have you any personal knowledge of the country between Kelton and Boisé City?—A. No; I have not been in that section.

Q. Do you know whether it is a settled country or not?—A. No; except what I have from representations, maps, &c.

Q. You speak of a quantity of mail. Where does the mail come from? What makes the quantity of mail? Is it Boisé City?—A. Boisé City and points beyond; that is, the through mail. The mining-camps all along the line of the road contribute very largely to the mail, and at that time there was a very brisk mining spirit all through that Montana section, and even Idaho. At the same time the Northern Pacific Railroad was in contemplation.

Q. You speak of making a general reduction; was there any reduction made by you on that route from Kelton to Dalles?—A. I think not.

Q. There was an increase?—A. There was an increase.

Q. After letting?—A. Yes.

Q. Was there any reduction on that route between Boisé City and Winnemucca?—A. No, sir. It has been so long, however, that my memory is not exact about matters like this.

Q. How was it in regard to the route from Walla Walla?—A. That was three times a week.

Q. You advertised that for twice a week and increased it afterward, did you?—A. No, sir; I cut it down from three times a week to once a week, and then advertised it for once a week; and afterward, upon the representations and petitions presented, I put it up again to three times a week, thus re-establishing it where I found it.

Q. There was no reduction in the service on that route?—A. No, except that it was put down and then put up again.

Q. In regard to the route running west of Santa Fé, (the Los Angeles route,) was there any reduction in the service on that?—A. That was advertised for a less amount of service than had before been performed, I think.

Q. But it was afterward put up again?—A. Yes.

Q. And increased, was it not?—A. No; it was merely re-established at three times a week. There was no increase.

Q. Was not the reduction, then, that you speak of affected by the discontinuance of routes in different parts of the country that were rendered unnecessary by having established longer routes, and by the railroads that were built in the country?

The WITNESS. Were they not rendered unnecessary?

The CHAIRMAN. Yes; and being rendered unnecessary, they were discontinued, and was not the reduction made more from that fact than any other?

A. They were made from general considerations. I could not say that they were all from the consideration of the railroads; probably some were, although I do not know that any of them were really on account of the railroad, except the Wells, Fargo & Co. line. That was a line established by Governor Randall, to connect the two ends of the railroads that were approaching each other—the Union Pacific on the east and the Central Pacific on the west—and that was shortening continually until the two roads met.

Q. The Kansas Pacific road was extended in the direction of Denver, as well as downward, which shortened that Santa Fé route?—A. Yes; it shortened that route from time to time, but that was not shortened by any special order; it was only shortened as the railroad advanced. It was not shortened expressly for the purpose of decreasing the service.

Q. There was not a large reduction on that account?—A. Some of it might have been, such as this overland route of Wells, Fargo & Co.

Q. In regard to that Missoula and Walla-Walla route, is there no paper on file in the Department, or has any paper come under your observation from parties living in the Territory bearing on that route?—A. Some gentleman testified as to that here, but I have no recollection of any such interview as he spoke of, nor have I any remembrance of having seen such papers.

Q. My recollection is that it was Mr. Fisk who stated that he called upon you with a number of other gentlemen and gave you a general statement of the facts, and you requested him to put it in writing, which he did, giving a general statement of the country, the mail-service, &c., and remonstrating against the exorbitant prices paid for the service in that country to the Huntleys, I believe. Do you remember anything about that?—A. No, sir. He may have called upon me as he says; but I have no recollection of ever seeing any such papers. There is no such paper on the files now; at least I could not find it the other day.

Q. Did a gentleman by the name of Evarts, who was once in the Post-Office Department and was afterward an internal-revenue collector in that Territory, ever call upon you in regard to it?—A. Not that I remember.

Q. Did any one ever call your attention to the fact that the petitions that were sent in from that country in regard to that route were fictitious, and had forged names upon them?—A. Of that I have no recollection; but in cases of that sort I would rely more upon the recommendations of members of Congress, persons who had recognized position, than I would upon petitions gathered up in a neighborhood of which I knew nothing whatever.

Q. Do you remember of any communications arriving from persons in the Territory, whose names were on those petitions, telling you that they were forged?—A. I do not.

Q. Or that they said their signatures had been used without their consent?—A. No, I don't recollect that. If there were such papers, they ought to be on file. All papers coming to me on such a topic as that would be read by me and then referred to the Bureau officer.

Q. This paper of Fisk's, if his statements were reduced to writing, would have been so referred by you?—A. Yes, sir. If it came to my desk it would have taken that course; it might possibly have come to some other desk, but I do not think it would.

Q. Do you remember what consideration induced you to reduce that service?—A. That was from a general practice of mine, that wherever there could be a reduction I made a reduction. That was a time when I was fresh to the duties, having but just entered upon the office, and sometimes I was not very well informed as to the service on particular routes in the far West. Wherever it appeared that the return was not proportioned to the expense I was disposed to make a reduction.

Q. And Fisk says that when he made that statement to you the service was reduced; that he then went away, and that he saw afterward that the service was reinstated?—A. It was reduced in September, 1869, and was not increased until December, 1870.

Q. He spoke of it as being done within a few months.—A. It was not done within a few months; fifteen months intervened.

Q. Was there ever any report made by this gentleman who was a special agent, Underwood, who testified in regard to that Walla Walla route; was he ever sent by the Department to investigate Postmaster Moore's special action, and did he make a report in regard to it, and also a report as to that mail-route from Walla Walla to Missoula?—A. I do not remember that he ever did. There is a report from another special agent to whom the matter was committed in Moore's case, and that would seem to imply that Underwood was not sent there.

Q. I would like to know what was the habit of the Department during your administration when the service was increased; for instance, on The Dalles route or any other route—was it the habit of the Department to confer with the special agents whom you had in the country in regard to the necessity of increase, or did you rely solely upon the recommendations made by the members of Congress and officials?—A. We got all the information we could.

Q. Before those orders were made was it the habit of the Department to send out and inquire of special agents?—A. Sometimes it was, and sometimes when the recommendations were quite clear and explicit on the part of the members of Congress and Senators we were content with getting a dispatch or report from the postmaster, showing the amount of mail-matter passing over the route, which we thought to be about as good an index as any of the importance of the route. In the case under consideration we telegraphed to the postmaster at Kelton as to the quantity of mail-matter, and that dispatch, as well as his answer, are given in the record.

Q. You spoke of that side supply from Cayuse to Pendleton, saying that \$5,000 a year additional was given to the contractor for transporting the mails; did I understand you to say that the mail-contractors were not carrying the mail over this route every day at the time this increase was given them, and that there was another road by which they carried the mail?—A. That was the manner in which the contract was let, and that was the representation which appeared upon all the maps.

Q. Underwood states that they were compelled as a matter of necessity to carry the mail, in the contract they already had, over the same route, and that they could not get over any other road; that they had to travel over the mail-route with the stages, and there was no other stage-route than that, and that the advertisement as originally made would naturally cover that road between Cayuse and Pendleton, and that the additional \$5,000 was on the route between those two points which they had to pass through every day any way.—A. That is calculated to mislead. The route runs up from Missoula to Walla Walla and across to Columbia River. The service for which they were paid was from Cayuse south of Walla Walla, across to Pendleton and Stevensville, then to Missoula. That is how we understood it in the Department, and so all the maps represented, and so was the advertisement; that route was originally located by Missoula, Walla Walla, and the Columbia River, and this route was not included in the original service, or contract, and it was in the nature of extra service in order to supply Pendleton, which was a county town.

Q. Had not the same thing been done under the administration previous to yours?—A. If so, they were paid extra for it.

Q. Do you remember whether there is any statement on the jacket of the papers in regard to that route to the effect that Barlow was carrying the mail at that time that this increase of \$5,000 was given to them from Cayuse by Pendleton to Maryville?—A. He might have been carrying the mail, but if so it was in the nature of extra service, and he was not bound to do it under his contract; yet it was a supply we were bound to make, Pendleton being a county-town.

Q. Underwood states in his evidence that that memorandum was on the jacket of the papers, and that they were carrying the mail between those points in performance of the general contract for the through mail, and that they could not carry it in any other way.—A. I recall now that circumstance. The jacket, I think, states that at the time the contract was made, they were authorized to supply this town of Pendleton because it was a county-town, and that they had performed that service for some time before there was any express order made. That is the nature of the entry on the jacket, if my recollection serves me.

Q. You considered it just and proper, then, that they should be allowed that amount for extra service performed?—A. I did, although the order was not given by me.

Q. If your attention had been called to the fact at the time of the advertisement that there was no other way to execute their contract for carrying the mail except to go by Cayuse, Pendleton, and Maryville, and that they were, in their performance of that contract, running daily stages, or tri-weekly stages, or whatever it was, through those points, would you have considered it with that information just and proper that they should have \$5,000 for extra service?—A. No; I should not. If they were obliged to perform that service in order to

execute their contract, and were performing it, it certainly would not have been a proper allowance.

Q. I understand that the premise from which Mr. Underwood drew his conclusion was that the extra service was unnecessary; that is, that the pay was unwarranted?—A. I think Underwood is mistaken in saying that they could not get round the other way and did not go round that way. They may have run their passengers the way he states. There are a good many mistakes of fact in the report which Underwood made, I think from lack of information on his part.

Q. When you wrote that advertisement of 1870 had you ever looked up the subject for the purpose of refreshing your memory as to the number of these great western inland routes—did you reduce the service per week in that advertisement?—A. No, sir; they were never referred to for that purpose.

Q. You cannot form any certain estimation in your own mind as to the number of those routes that you advertised for less than they were previous to your administration?—A. No, sir; I cannot except this statement as to the reduction made in 1869.

Q. You cannot answer the question as to whether you generally reduced the service in that advertisement?—A. No; we reduced it wherever we safely could, with due regard to the public interest. Sometimes we were obliged to recede from our reduction.

Q. In regard to bidders on these different routes, the Kelton and Dalles, and others, that you have testified in regard to, when there was a failing contractor, I understand you to say that the other bidders were notified—that is, the bidders who had not been so low in their bids as he?—A. Yes.

Q. Tell the committee how that notification was made.—A. It was by a circular prepared by the Department and duly mailed to every one of the bidders, and the fact of their having been mailed was entered upon the records of the office.

Q. And that was the only notification that was made?—A. That was the only notification that could be made.

Q. And the answer from any one of those parties would be a matter of record just as well?—A. If they made answer, yes. Under the terms of the joint resolution of May 5, 1870, they were obliged to answer by a certain day, otherwise they were in default; and I say in regard to that, I never knew a case in which there was any complaint that parties had not received their notice. There never was, to my recollection, a solitary complaint of that kind.

Q. You speak of bidders mysteriously failing to take any action in regard to their bids after the bidder who had been lowest had been declared a failing bidder. I understood you to say that they were notified, but gave the Department no answer to the notification?—A. Some did and some did not.

Q. I understood you to say that your suspicions were aroused by this circumstance, and that you were led to think there was collusion?—A. I said, in the investigation of 1872, that there must be some inducement for these people to retire.

Q. What was done with these failing contractors during your administration?

The WITNESS. Do you mean the party to whom the contract was let, the lowest bidder?

The CHAIRMAN. Yes; where they failed.

The WITNESS. They were all reported in due form to the Sixth Auditor's Office. By the creation of the Department of Justice the Post-Office Department could no longer institute legal proceedings; all that we could do was to certify them to the Sixth Auditor, who in turn would have to certify them to the Attorney-General's office for prosecution. We certified in every case.

Q. Under the law, then, they were certified to the Attorney-General, and he was the party who had to take action on them?—A. Yes; they were certified to him through the Sixth Auditor.

Q. Do you know whether those failing bidders were prosecuted at all?—A. I do not know whether they ever have been or not.

Q. Did you ever make any exertion to have them prosecuted?—A. Yes; I did. I frequently talked with the Sixth Auditor, and told him that they ought to be proceeded against.

Q. They had bonds filed that were supposed to be good, had they not?—A. No, they had no bonds filed, but they had papers filed in the nature of guarantees with two guarantors, that if the contract was awarded to them they would see that the contract was executed.

Q. In regard to that Oroville and Portland route I understood you to say, in your general statement, that as the route was shortened, and the time was expedited, though there was a general reduction in the aggregate, the expense of carrying the mail on that route was increased?—A. After that the expense of carrying the mail was increased.

Q. And the route was shortened?—A. The route was shortened except as to the railroads.

Q. And the aggregate of the cost of carrying the mail, on account of the route being shortened by railroads, was less than it was under the original contract, although the time was expedited?—A. Well, I cannot say that.

Q. You don't know that?—A. I do not know that. The expedition increased the cost over the same extent of line because it required more carriers and more horses.

Q. What was the law in the Department when the service was expedited in regard to con

tractors filing an inventory or statement as to the increased cost of stock, &c?—A. I don't know that there is any law as to their filing an inventory, but we almost always—in fact, we do always require it.

Q. Was not that a requirement in the postal regulations?—A. No; the postal regulation required that the pay should be increased only in proportion to the increase in the number of carriers and the stock.

Q. How did the Department ascertain about that?—A. We required from the contractors a statement, and we got the best information we could about it.

Q. In the shape of sworn statements?—A. Sometimes sworn and sometimes not. We accepted the statements without being sworn, that appeared to be satisfactory.

Q. Was that statement of Barlow's, made on that contract when the service was expedited, sworn to?—A. I am not able to say whether it was sworn to or not.

Q. But there was a careful statement filed?—A. Yes, a careful and elaborate statement, what appeared to be a correct statement.

Q. In regard to side service between Red Bluff and Yreka at the time that Barlow got the contract from Oroville to Portland, some one else had the contract from Red Bluff to Yreka?—A. I cannot answer that positively, but I think so.

Q. How was the old contractor between those two points gotten rid of?—A. I cannot tell how that was done, but if it was done, it was done in the regular way by dispensing with the service and giving a month's pay. I do not think, however, that this was done.

Q. Do you know whether that was attached to Barlow's contract; was it included by advertisement in the Pendleton and Oroville route?—A. No, I think not, but the Department can change the intermediate course of the route.

Q. As I understand it, the Red Bluff and Yreka route was changed to what was called the old Sacramento road, and that was shorter and better than the other road?—A. Yes; that was the representation to the Department.

Q. Has your attention ever been called to the price at which the original contract for carrying the mail between Red Bluff and Yreka was made?—A. My attention was probably called to it at the time.

Q. Do you remember whether it was less or greater than the contract you gave Barlow for the same mail?—A. Probably less, for the reason that they were not required to carry any mail except the mere side supply. It was a small mail which might have been carried on horseback, whereas the other mail was the through mail, and much larger and heavier, and was necessarily carried in stages.

Q. I believe that the contract-price given to Barlow was \$36,223?—A. Yes, but there is a great deal of side supply on the other side dispensed with. The net increase was only \$8,000.

Q. How was that?—A. Because a great deal of Barlow's service on the other side was dispensed with. There were services dispensed with to the amount of about \$27,000 or \$28,000.

Q. On account of what?—A. On account of changing the route. We were able to dispense with service on the other side, so that really the increase was only about \$8,000, and that appears by the order shown here the other day.

Q. I think Underwood makes a statement in regard to that that if the original service under the first contractor had been increased to a daily service the price would have been \$18,022, and the reason that you give now why it was \$36,000 was that Barlow had much more mail to carry and more side supplies to furnish than the other contractor had. Why was that given?—A. That is entirely an illusory statement, for these reasons: you could not have put this up to the daily supply without maintaining the other line, and the \$16,000 would simply have been an addition to what Barlow already had. Again, if you had dispensed with Barlow's service, and required this man to carry the through mail for \$16,000, he would have had to establish a through line sufficient to carry the mail from California to Oregon, which he could not have done for any such sum. That statement is entirely illusory. The increase of side-supply would have been in addition to the service already on, whereas by the changes we made, we secured the change for about \$8,000.

Q. He also makes the statement that when the service was expedited, (after which a large amount of increased pay was given,) on account of the finishing of these railroads and his carrying the mail on them, the real time it took Barlow to go through the route was not shorter than before, although he was being paid for an expedited service.—A. That is a mistake, for the reason that the route was only expedited as to that portion of it which was not covered by the railroad.

Q. I understood you to say that it came to your knowledge that the railroad would not contract with you to carry the mail as an officer of the Government, still Barlow contracted with Holliday and with the road running south from Oregon, and Barlow carried his mail on that road?—A. Yes.

Q. I understood Mr. Underwood to state that from that fact, although there was an expedited time, (the time was decreased very much, figuring it through,) Barlow, carrying it on the road, had no more miles to travel per hour with his horses and stages than he had before.—A. That was a mistake, as the time was only expedited on that portion of the road that he was obliged to perform by stages, and the actual time he made on the railroad

was added to it, so as to get the whole time in that way. The calculations will all show that. It was reported to me that Barlow had made an arrangement with Holliday to pay him a good deal larger sum, as I suppose, (but I do not know how that was,) for carrying the mail on the railroad. Then they came to me to expedite the service between the two railroads; I said we would not expedite for that portion of the service that was performed by railroad; we would only allow the actual time taken for that, but we would expedite the portion of the road covered by stage alone, and then add the actual time on the railroad.

Q. You had great difficulty in arranging the steamboat service on the Mississippi on account of Peterson's getting charge, by combination, of the steamboats on the river?—A. Yes, through the owners of the vessels.

Q. He had been made the agent of the owners?—A. Yes, as appeared from sundry dispatches, which I read here the other day.

Q. Stating that nobody else could contract for them except Peterson?—A. Yes.

Q. I understood you to give that as a reason why you were compelled to contract at that time with Peterson?—A. Yes, he was the only person appearing here tendering himself ready to perform the service.

Q. Did any one ever give you any reason why these steamboat-men entered into that contract or combination with Peterson?—A. I don't remember any express reason given. The reason, I suppose, was that their idea was that by placing them all in the hands of one man they could force the Department to higher terms. I know nothing of any combination.

Q. We have had some steamboat-men (Mr. Leathers, I believe, among others) who have stated that the reason they entered into that combination was that they were induced by Peterson to think that he was the only man that could get a contract here.—A. I do not know about that, but I know that Mr. Leathers himself was one of the very first men that got a contract.

Q. When Peterson presented these powers of attorney to you, did it not strike you that Peterson and the others had entered into a combination for the purpose of defeating the Department in letting the mail at a cheap rate?—A. It looked to me that way.

Q. State to the committee whether there is any law that will punish men for entering into a combination of that kind.—A. There is a law, which I have never known enforced, simply because of its loose terms, stating that a man who attempts to prevent another from bidding or pays a consideration shall be punished.

Q. That is, that a man who enters into a combination for the purpose of preventing people from bidding shall be punished?—A. Yes.

Q. Did these men not enter into a combination for the purpose of preventing bidding?—A. I could not establish that fact; that was only a conjecture of mine.

Q. You didn't think, then, at the time, that it was a combination for which you could proceed against them?—A. I didn't think I had any sufficient testimony.

Q. Either against them or against Peterson?—A. No, sir; no such sufficient testimony as would authorize me to proceed against them.

Q. Peterson and you were well acquainted, were you?—A. No; I never knew him before.

Q. Who introduced you to Peterson; do you remember?—A. That I don't remember. I think Peterson came here himself, as any other person would come, with an application, first for that Red River service.

Q. When you made a contract with Peterson, as the agent of these men, you considered his having these powers of attorney placed him in a position similar to that of the steamboat owner or captain. I understand the law to be that you can make a contract only with the person who has that qualification?—A. The owners or commanders.

Q. Peterson was neither owner nor commander of a steamboat; how, therefore, did you satisfy yourself in regard to that?—A. Because he was the authorized agent of the owners, and that agency has always been recognized in the Department as complying with the letter. *Qui facit per alium facit per se.* The owners were acting through their agents.

Q. But you made the contract with Peterson, not with the owners?—A. Yes; because he presented himself as the party having charge of the boats.

Q. How long did those contracts continue with Peterson?—A. I don't remember about that on the Red River.

Q. Didn't Peterson have contracts on the Red River during your entire administration?—A. I don't think he did. He may have had some other contracts for which he bid like other bidders.

Q. There was no delegation of steamboat-men here to wait upon you, or upon the Department, in regard to this matter, complaining that they could not get a contract?—A. I sent word to the steamboat-men to come here and see me, and I had several of them at different times, and I urged upon them the propriety of their coming to the Department themselves upon their own business. I impressed upon them that everybody would be received not only courteously but with every consideration, and I wanted to deal with them directly. That was the way that I got the regular contract for the service from Vicksburgh to New Orleans; that was made with Mr. Leathers and another person—being the owner and captain of the boat.

Q. I will ask you the general question in regard to these contracts (Barlow's and others) of persons who have been reported to have received unusual favors from the Department during your administration, and possibly since. Were you aware, at any time, of any partiality of that kind, in their favor over other contractors, during your administration?—A. I was not.

Q. If there was any it was done by subordinates in your department?—A. I do not believe it was done. These men were there constantly looking after their business, but I believe that everybody who came there was treated with an equal amount of consideration.

Q. You do not think that the clerks in the Department, or subordinates there, made any discrimination?—A. O, it appears that some of the clerks behaved badly, and were turned out, as they ought to have been.

By Mr. AINSWORTH:

Q. If favors were shown it was done by the subordinates, and without your knowledge?—A. Yes; some of the clerks, I have no doubt, behaved badly and were turned out. Mr. Jewell turned out some, I understand. If there was anything of that kind done, it was entirely without my knowledge.

By the CHAIRMAN:

Q. Was it not in the power of your subordinates, say, for instance, the Second Assistant Postmaster-General, who had control of contracts especially, to make that discrimination? Could not that officer, in the ordinary course of business, and with the impossibility of your looking after everything personally, have given favors, or shown partiality to some contractors over others, without your being aware of it?—A. Possibly he might in some things, but it would be pretty difficult to do so in the granting of a contract, because that would have to be done in a certain regular way. The awards or contracts were almost always made by the Second Assistant and his chief clerk and the chief clerk of the Department, who at that time was old Mr. Childs, who had been in the Department forty-odd years, and who was one of the most careful, watchful, and best-informed men in that branch of the Post-Office service that I have ever known. He has since died. I never have known of a contract, or seen or heard of a case, where the records show that there had been any departure from the law in granting contracts to any one. There might have been some minor favors, to men who were contractors, granted by parties without my knowledge.

Q. You mean by a departure from the law that when, for instance, there was an increase of service or anything else done in regard to a route, the Department always had recommendations to show that it ought to be done?—A. Yes; I mean to say that for every increase of service that I ever saw there is a sufficient recommendation on file to satisfy, I think, every reasonable man. There was a case mentioned the other day, that from New Orleans to Monroe; I think that case is fortified by affidavits, &c., and that that remission was perfectly proper.

Q. Who was your Second Assistant Postmaster General when you went into office?—A. General Giles A. Smith was appointed shortly after I went in.

Q. Was he your first officer employed in that capacity, Second Assistant?—A. Yes; he remained in office, I think, until the fall of 1871.

Q. Did he remain in office until the contracts for 1870 were advertised and let?—A. Yes, I think so; I think they were advertised and let by the 1st of July.

Q. And he resigned the fall afterward?—A. Yes, he resigned from ill health; he had had several severe hemorrhages.

Q. Do you know whether General Giles A. Smith, in October of that year, advertised himself as an attorney for contractors through the country?—A. No; I do not.

Q. You have seen no circular of that kind which was issued?—A. No; I have seen a circular that he issued about railroads.

Q. What was that circular?—A. Some weeks, or perhaps a month or two, after General Smith went out of office, he came into the Department one day, and asked me what position I would take with reference to railroads; whether I intended to maintain the position I had taken in my previous reports. I told him that I did; that I believed that the trunk-lines of railroads should receive more compensation, and that there should be an adjustment of the matter with reference to postal cars. These roads had been running postal cars, and had not received any compensation. Up to that time the old rules were carried out. The maximum compensation was \$375, paid for 18,450 pounds of mail transported. By that time the amount of mail had largely increased, and we had great difficulty with a number of the great trunk-lines. There was a chronic quarrel between them and the Department. We never could get them to do anything for the Department. If we wanted them to run a postal car, they would get cross and assert that they were then carrying more than the maximum amount of mail, and were entitled to more than the maximum amount the Department could pay them.

Q. That applied entirely to railroads?—A. Yes. Then General Smith told me that he was meditating taking this thing up himself as attorney; he was then out of the Department. I protested against it and advised him to the contrary: I told him he had belonged to the Department, and that I did not think it was the right thing for him to do, and that it would not do him any credit. Some time after that, one of those circulars was received in the Depart-

ment. I immediately went to Smith, and told him he had done very wrong in issuing such a circular. He expressed great regret that he had done anything to give me dissatisfaction, and promised to abandon the whole thing, and I believe he did.

Q. Did you ever know, while he was Second Assistant Postmaster-General, of his brother Morgan L. Smith influencing him in any way to grant contracts to any particular persons?—A. Never, in any case. I never saw General Morgan L. Smith there more than once or twice in his brother's room, and that was nothing to excite any surprise. One would readily suppose that a brother would occasionally be present in a brother's office, but I never knew of his exerting any influence, nor ever heard of it, until long after General Giles A. Smith left the Department. Morgan L. Smith never spoke to me about a postal contract in his life.

Q. Who was your next officer after the resignation of General Smith?—A. Colonel Routt.

Q. I thought that at one time there was a gentleman named Earl who was Second Assistant Postmaster-General.—A. He was First Assistant.

Q. Colonel Routt, then, was appointed after the resignation of General Smith?—A. Yes; he had been General Smith's chief clerk part of the time.

Q. Was he appointed by recommendation of Smith or by his influence?—A. No, sir; I believe Smith was friendly to him, but I believe that the recommendation of Colonel Routt consisted of the entire delegation of Illinois, including Mr. Trumbull; all or nearly all of that State delegation united in his support. Colonel Routt had very strong recommendations indeed.

Q. How long did Mr. Earl remain in position as First Assistant Postmaster-General?—A. I think until December, 1869. I do not profess to be entirely accurate with reference to these dates.

Q. What was his occupation previous to that?—A. He was a lawyer.

Q. Living in Washington?—A. No; he had been my law-partner at Elkton, Maryland; we dissolved partnership in 1863, when he went to Annapolis to take the place of clerk of the court of appeals of Maryland.

Q. After his resignation what became of him?—A. Mr. Earl remained here for some time, and was for a long time in doubt as to what he would do; he talked to me several times about locating in several places. He talked at one time about going to Savannah, and I advised him to go; I think he also had one or two other places in view.

Q. Did he open an office in Washington?—A. He did.

Q. What kind of practice did he engage in?—A. As to that I do not know. I knew that he had some practice in the Department.

Q. What was the character of the practice that he had in the Department?—A. Very much the character that other parties had—looking after the interest of contractors, and looking after the questions of law which arose in the Department as to claims.

Q. Was he the attorney for large claims in the Department?—A. He was attorney for the Chorpenning case. He and Judge Jeremiah S. Black represented that case.

Q. Was he not also the attorney for an inventor of mail-boxes?—A. He might have been.

Q. Was there not an order made in the Department about that?—A. I do not know as to that. There may have been an order adopting the boxes. I think the whole thing was afterward referred to a committee, and that committee examined all the boxes that were presented, and made a selection from them.

Q. You say you told General Smith that you thought his advertising himself as an attorney for contractors in business to be done with the Department was improper and indelicate?—A. For railroad-men. I objected to that.

Q. I was going to ask if the same reasons would not apply to Mr. Earl also?—A. Yes; and I told Mr. Earl so; and after the Chorpenning case I requested him, as a favor to me, not to practice in the Department. I had no right to insist upon it, but I thought it was placing me in a delicate position.

Q. Why did you think so after that case?—A. Because there was a great deal said about his connection with that case.

Q. Did he remain and still practice in the Department?—A. He did practice in some cases, but I think he refused to take new cases after that.

Q. He did practice in some cases in the Department?—A. He did.

Q. Do you remember the character of cases that he practiced in; do you recall any?—A. No, sir; I do not. I think he called to see me once with reference to one of Barlow's cases, but I cannot now recall what case it was.

Q. The inventor of the letter-boxes that I allude to was a man named Strong, was it not?—A. Yes; Sam. Strong.

Q. Was not a contract made by your Department in regard to those boxes, in which Mr. Earl was attorney?—A. If I am not mistaken, I think Mr. Earl was attorney for Sam. Strong.

Q. Was there a contract made with the Department about that time for Strong?—A. I think when I went there Sam. Strong was already a contractor with the Department, and his box was afterward referred to the committee with the view of improving the boxes.

Q. To what committee?—A. One was Mr. Marshall, who was the First Assistant, succeeded Mr. Earl. Another was the officer in charge of the free-delivery system and of

those boxes. There was some other officer associated with them on this committee, whose name I do not recall.

Q. Do you remember what the decision of the committee was? Was the contract entered into?—A. Yes; the contract was entered into in accordance with whatever decision they rendered. I have forgotten now what it was.

Q. With regard to those men who acted as attorneys before the Department, either Mr. Earl, or Mr. Smith, or others, do you know of their influencing improperly any official in the Department in making a decision in regard to any contract or other matters for which they were attorneys?—A. I do not.

Q. So far as your knowledge goes, then, every act and decision of theirs was made just in accordance with the facts?—A. And the law.

By Mr. AINSWORTH:

Q. Try and refresh your memory, and see if you do not remember that Mr. Peterson was introduced to you by Secretary Belknap the first time of his introduction to you?—A. No, sir; I am sure that that was not the case, because Peterson first came before Belknap was here. Peterson came here and obtained a contract in Rawlins's time.

Q. Was not your first acquaintance with Mr. Peterson upon an introduction by Secretary Belknap?—A. I have no recollection of any introduction of him to me by Secretary Belknap.

Q. While you were Postmaster-General, after the passage of the act of 1872, a form was prescribed upon which postmasters certified the proof of the bonds of bidders, was there not?—A. Yes.

Q. The Department prescribed a form upon which that certificate should be made out?—A. I think so; and it went out with the bids.

Q. State whether Mr. Edmunds, the postmaster of this city, was in the habit of approving bonds?—A. He did approve some bonds on the application of parties here, but I could not speak as to his "habit;" I can only speak as to what he did. He did, in some cases.

Q. State whether you instructed him to disregard the form furnished and to make a certificate less strong than that furnished by the Department.—A. I do not remember that. If any such instructions were given out, it was on conference with him and upon satisfactory assurances that the sureties were entirely responsible and sufficient. I have no recollection of that kind. There might have been an interview between Judge Edmunds and myself on that subject; but I am certain of one thing, that that was not done with a view to aid any insecure bidder to get a contract.

Q. Was it done to aid the postmaster here—to enable him to make a certificate?—A. No, sir; there might have been some case, I do not recollect the facts, but it is possible there might have been some case where there was entirely satisfactory evidence of the sufficiency of the sureties, and where it would be to the interest of the Government to take the bid, in which the form might have been disregarded in some non-essentials.

Q. Had you not a conference with Judge Edmunds in which he stated to you that he could not approve bonds because he had not knowledge of the sufficiency of the sureties; that it was sufficient that he should approve them by inserting the words, "I believe the sureties to be good"?—A. Under the law, my impression was that would amount to the same thing; that he only certified, any way, to the best of his knowledge in good faith.

Q. I ask you, did you, in a conference with him, tell him to insert that word "belief," and thus certify without knowledge?—A. That point, it seems to me, was discussed between Mr. Edmunds and myself, and it is possible I told him. It is more than possible—it is probable. I told him that he might insert "I believe," inasmuch as I was of opinion that that was all he could be required to certify to under any circumstances in good faith.

Q. Judge Edmunds, in his testimony, states that he certified to bonds without knowledge on his part, inserting under your direction, the word "belief," when he had no knowledge, in order that he might approve the bond. Did you give him such instructions?—A. I think Judge Edmunds is correct in that, now that you call my attention to it. If you were to require a certificate to be of a man's own personal knowledge, you would exclude a great many bidders; and when it becomes a matter of knowledge based upon testimony derived from others, it becomes a mere question of *bona-fide* belief.

Q. Did you consider the certificate of the postmaster here regarding the sufficiency of bonds in Texas and the Western Territories as reliable and trustworthy as that of a postmaster either of the second or first class?—A. I did, generally, for the reason that I knew the postmaster here, and I was satisfied that he would not make any certificate unless he really believed it, whereas I had frequently been imposed upon by postmasters at other points.

Q. But if the postmaster here made his certificate without information?—A. But I never authorized that. He must have such information as justified him in an honest belief.

Q. Did you state that all that he should require to satisfy himself was the certificate of some Congressman living in the neighborhood that he believed them to be good?—A. No, sir; I do not think I said that. My instructions to him were that he must be satisfied, and that he must be able to certify as to his honest belief.

Q. Did you not tell him that the certificate would be deemed or should be deemed sufficient?—A. If he were a responsible man. I do not suppose a man should be ruled against because he is a Congressman.

Q. And that his belief, based upon the belief of a Congressman, would be sufficient to justify him in his certificate?—A. No; I never did say that. He must satisfy himself just as a magistrate would satisfy himself as to the truth of any certificate he might be required to make.

WASHINGTON, D. C., *June 6, 1876.*

U. H. PAINTER sworn and examined.

By Mr. CANNON:

Question. Were you the clerk to the Committee on Post-Offices and Post-Roads in 1872?
—Answer. I was.

Q. Who was the chairman at that time?—A. John F. Farnsworth.

Q. Do you recollect of an investigation being made at that time into the lettings of 1870 and 1871?—A. I do remember all about it.

Q. Do you know Colonel McKibben?—A. I do.

Q. Was he connected with that investigation?—A. He was.

Q. That was the only investigation held at that session touching these lettings, was it not?—A. It was.

Q. State if you have examined the Congressional Record or Globe, as well as the Journal, to find out the resolution under which the investigation was held; the bill introduced by the chairman of the committee, if any was introduced, in reference to straw-bidding; the bill reported by the committee; the report, majority and minority, of the committee; the action of the House, as well as what was said in regard to the bill from time to time in passing said bill; also, the action of the Senate touching the same, with the subsequent proceedings in the House and Senate, and the report of the conference committee, with the final legislation touching the same.

(Question objected to by the chairman and Mr. Ainsworth, and the objection sustained.)
Adjourned.

WASHINGTON, D. C., *June 6, 1876.*

J. M. EDMUNDS recalled.

By Mr. AINSWORTH:

Question. I think you stated in your previous examination that you were appointed postmaster in 1869?—Answer. Yes, sir; I believe so.

Q. Please state when you commenced approving the proposals of these bidders—the sureties for them.—A. I could not state that, sir. Probably during the same year. There were more or less contracts let every year. I presume some of them came before me the first year I was in. I don't recollect about that. I think the country is divided into districts, so that there is letting somewhere in the country every year, and I presume there was a portion of them let, though I think not a great many, the first year. The lettings are larger in the winter; I didn't take the office until May, but I think some contracts came before me in the summer of 1869.

Q. Was there any change made during Mr. Creswell's administration by which a larger number of proposals were submitted to you in the later years of his administration than in the previous ones?—A. Not that I am aware of. I think more of the bidders have been coming there to do their business, but I could not say how it was before I was in office.

Q. Was there any change made during your time by which a larger number were sent to you for approval in the later years of Mr. Creswell's administration than in the earlier ones?—A. I am not aware of any change that would produce that result. It is not the practice to send bids here. It is only the bidders who come here that get their proposals certified here.

Q. Can you give the committee the names of any of the western bidders whose proposals you approved?—A. I can give very few of them. I could give a few of the leading bidders, perhaps.

Q. Give them.—A. I approved for Barlow and for Huntley. They had been bidding more or less every year. I recollect their names. There are several other gentlemen whose names I don't recollect. Mr. Sawyer was a bidder in the Texas matter. There was a gentleman from California who bid quite largely, but I don't remember his name.

Q. Didn't you approve the sureties on most of the proposals of the western and southwestern contractors?—A. I presume I did; I don't know. I know some of the bidders were brought here by postmasters in the West. The larger portion of them, I think, were approved here. Of course, I have no means of knowing that, because I don't know how many bids were put in.

Q. State whether you now are, or have been during the time you have been holding this

office, the secretary of the National Republican Committee?—A. Yes, sir; I am now, and have been a portion of the time.

Q. When did you commence acting in that capacity?—A. I think in 1872.

Q. State whether during that time you have yourself drawn upon any of these contractors whose bonds you approved, or known of their being drawn upon by the committee, for a contribution to campaign-funds?—A. I have never drawn upon any, and our books don't show that any of them have paid anything. I don't think they have been ever called upon by any member of the committee.

Q. You don't think they ever contributed anything to election purposes?—A. Not to my knowledge. Our books will show every dollar that was paid out.

Q. As secretary of the committee, you would have known if they had contributed?—A. I presume so. I never asked them for any money, and have not known of their being requested to pay any money.

Q. Neither Mr. Sawyer nor any of them?—A. No, sir; they never paid a dollar, to my knowledge. I think one man who had been a mail-contractor handed me \$100 about a year ago, which, I think, is on our books; but he is not now a contractor and was not at the time he paid the money. That I didn't ask him for; he came in and said he thought he ought to pay something. I believe he was just appointed to some office; but I don't recollect what it was. He was not a mail-contractor at the time.

Q. You stated yesterday that you had the recommendations upon which you approved these bonds; that is, the certificates?—A. Yes, sir.

Q. Are they in form similar to those which were produced regarding the Reynolds contract?—A. They are in a different form, but substantially that, perhaps.

By the CHAIRMAN:

Q. They are recommendations stating to you that those men are reliable?—A. Yes, sir; and responsible. Generally the letters are very strong. Perhaps you had better look at a few of them, and you can see what they are. I ought to state that I gain other information, that I don't rely wholly on those letters, but I require them to be filed. If a man comes to me who is a stranger, saying he intends to bid for a mail-contract, and says, "I want to know what I have got to do to satisfy you that my bids are good;" I have a conversation with him and ascertain whether he is a mail-contractor now, whether he is carrying the mail on the route he proposes to bid on. I ascertain something verbally about the man and about his responsibility. In addition to that, I require these letters. A great many of these men are already bidders, with their property on the line and doing the business, which goes to make up evidence in favor of their responsibility. Some of them are not, and if they are new bidders I am generally more particular.

Q. Can you form any idea, from your knowledge of the financial condition of the contractors that you have been acquainted with, whether they are generally owners of real estate or not?—A. I cannot tell about that.

By Mr. CANNON:

Q. You spoke of approving proposals on Sawyer's, Conkling's, and Barlow's bids?—A. Yes, sir.

Q. Did those men fail?—A. No, sir; not that I know of; I never knew of any of them failing. I believe Mr. Sawyer's estate turned out bad since he died.

Q. I am speaking of the contracts.—A. No, sir; they have always fulfilled their contracts in every instance, as far as I know.

Q. And, in the lettings West, do you know the amount of bidders on all the routes, whether it was as many as six or eight thousand, probably, at one letting?—A. I could not tell.

Q. Did you approve anything near that many proposals?—A. No, sir; not so many as that, but quite a good many.

Q. The law, I believe, requires these bonds to be approved before postmasters?—A. Yes, sir.

Q. Without stating in what part of the country they should be?—A. The only restriction is in the class of the office. The present law, I think, restricts the approval to nothing below second-class officers—second or third class. They don't allow the smaller postmasters to approve them. The bid won't be taken at all until it is approved by some postmaster.

Q. Do you know the politics of the majority of the contractors?—A. No, sir; I do not.

Q. Whether they are democrats, republicans, or reformers?—A. I never made any inquiries at all.

Q. Do you know whether any of them have furnished any money to carry on the democratic campaign or not?—A. I don't know that they ever did. I never heard them say they did.

Q. You have not access to the books of the democratic committee?—A. No, sir; I have not.

By Mr. MILLER:

Q. Do you know what proportion of those contractors for whom you certified have failed in fulfilling their contract?—A. No, sir, I don't know what proportion; very small, though. My attention has been brought to but very few contracts.

Q. You certified for some thousands, have you?—A. Yes, sir; since I have been there, a great many thousand.

Q. How many do you suppose failed?—A. I could not say how many failed. My personal attention has not been called to more than half a dozen bidders. They may, some of them, have had more than one contract. I don't remember now only three or four cases. There have, probably, been some more in the course of seven years that I have been there.

By Mr. AINSWORTH:

Q. The fact of their failing is not a matter which would come legitimately under your notice, is it?—A. No, sir; not unless the Department notified me.

Q. It would be mere hearsay, like any other business carried on here in the city of Washington entirely independent of your own?—A. The Department recently has adopted a new rule. When a bidder fails they notify the postmaster who certified to the bid, or they have notified me in two or three instances, and I think they are doing that in others, but I don't know as to that, and they require the man's post-office address, so that they can pursue him.

Q. How long since that rule was adopted?—A. I don't remember receiving any of those requests until within a few months. I may have received them before, but not so as to make a serious impression on my mind.

Q. That has not been a rule during the entire time you have been postmaster?—A. I doubt if it has; but recently I have had three or four notices of that kind, and been requested to send up the post-office address of the parties so that they could pursue them.

By Mr. CANNON:

Q. If it was or was not the rule you would only know it by hearsay?—A. No, sir; I know it is a rule now. I know it is a practice adopted, as far as I am concerned.

Q. And you don't know whether it was the rule before or not?—A. No, sir.

By the CHAIRMAN:

Q. Until they commenced making these requests of you you had no means of knowing of their performing their contracts or of their failing?—A. No, sir.

By Mr. MILLER:

Q. That request is a notice to you that they have failed?—A. No; it is an order desiring to be informed of the post-office address of John Jones, "a failing bidder, whose sureties were certified by you, or, "I require the address of the sureties of John Jones, the sureties being certified by you." I don't know that it is a new practice in the Department. I notice it, because I have received three or four of those notices on some small contracts within a few months. One of them, I recollect, the Department wanted to collect \$50 from.

Adjourned.

WASHINGTON, June 8, 1876.

JAMES N. TYNER sworn and examined.

By Mr. CANNON:

Question. You are Second Assistant Postmaster-General?—Answer. I am.

Q. Earlier in the session, at your request, an inquiry was made by this committee with reference to some bids for a number of Florida routes, in which you stated a suspicion that the bids were forged or fictitious, and that you also had a suspicion that one William D. Kittell, a former contractor, was cognizant of the same in some way. The matter was inquired into by this committee at length. If there have been any subsequent developments concerning those bids, please state them as briefly as you can.—A. The proposals that you refer to were evidently proposals submitted to the Post-Office Department under the advertisement of October 1, 1875, inviting bids for service on the mail-routes of the State of Florida. They were proposals submitted to the Department by one John F. Reynolds, with William D. Kittell and A. F. Ryer as sureties. This committee had before it an examination of from thirty-five to forty proposals of the character I have indicated, for service on routes in that State, which were the lowest proposals that were submitted, and would have been accepted if they had not proved afterward to be fraudulent and forged. The facts are that after an examination by the committee, and by means of the facts that were developed by the sworn testimony before this committee, I was enabled to discover that John F. Reynolds, if there were such a being in existence, resided at Kalamazoo, Mich. I immediately detailed Major Petherbridge, special agent of the Post-Office Department, to proceed to Kalamazoo, Mich., and ascertain what he could about said Reynolds. The balance of my testimony will be principally not that of a witness, but hearsay to some extent, and corroborated by facts.

Q. Containing the report of the special agent?—A. Yes, sir, as reported to me. I have not got the report, but I can state the substance of it. Major Petherbridge found that John F. Reynolds was a boy fifteen or sixteen years of age, residing at Kalamazoo, Michigan, and a brother of William D. Kittell's wife. Major Petherbridge took with him several of the proposals to which I have referred, which were signed by John F. Reynolds. Reynolds went at once before an officer authorized to administer an oath, and made oath of the fact that he never signed them; that he had never been in Washington, although the testimony before this committee indicated they were signed in this city by John F. Reynolds. He swore he never had heard anything about them at all; but on examining them he said he

recognized the handwriting, and the handwriting was that of his sister, May Reynolds, a young girl somewhere from sixteen to eighteen years of age, who was a student at Georgetown College Convent, in the District of Columbia. Major Petherbridge returned here with that information, and I directed him at once to go to the college and see this young lady. He chose, however, to go first to Mrs. Kittle, who was boarding at Willard's Hotel, and whose husband, William D. Kittle, was here when Major Petherbridge went West. On arriving at Willard's Hotel he found Kittle had been notified by a telegram from his wife's relatives at Kalamazoo that a special agent was on his track, and he could not be found. Major Petherbridge took Mrs. Kittle in a carriage with him and went over to Georgetown College, and had an interview with Miss May, in which interview the young lady admitted that she had signed all of these proposals in Kittle's room at Willard's Hotel a short time previous; that she had done so at Kittle's request, and did not know that she was committing a wrong in doing it. She sat down at once with her pen in her hand, as reported by the special agent, and made out a written certificate of the fact, which written certificate was returned in an hour or two afterward by the special agent to me, and on comparison with the signature of John F. Reynolds it was so evident, that any man, although not an expert at all, would know that it was the same handwriting as that in which the name of John F. Reynolds had been signed to the proposals. The matter was at once put into the hands of the United States district attorney for the District of Columbia, and was examined into by the grand jury shortly afterward. An indictment was found against Kittle, and a warrant issued, but he had absconded, and from that day to this he has eluded the Post-Office Department.

Q. I will ask you whether those thirty or forty bids were, upon that proof being completed, held for naught?—A. Yes, sir; an order was immediately drawn and signed by the Postmaster-General, setting up all the facts, and directing that the proposals of the said John F. Reynolds should not be accepted, and they were not accepted. The proposals of the next lowest bidders in each case were at once ordered and issued.

By Mr. CLARK :

Q. Please state to the committee whether it was not a well-known fact, before any of these occurrences came about, that this man Kittle, so far as his contracts with the Post-Office Department were concerned, had been guilty of corrupt practices?—A. Yes, sir; he had.

Q. How did that knowledge come to the Department?—A. It came to the Department by observing among the proposals which were offered to the Department among the advertisements of October 1, 1874, a number of proposals for routes in the State of Texas, on which, if I remember correctly, one Patrick Laughlin was a bidder, and the lowest bidder of a number of them; that among those bids there was the impression of a counterfeit identifying stamp which had been used in the Post-Office Department to identify the bids which had been opened under that letting. This man Laughlin was a bidder on a large number of routes in Texas at that time, and on an examination of them shortly after I went into the Post-Office Department, say in the month of March or April, 1875, I observed that a certain stamp that had been used simply to identify genuine proposals, and which was made up of the initials of two Assistant Postmaster-Generals, "J. W. M.," for J. W. Marshall, First Assistant, and "J. L. R.," for J. L. Routt, Second Assistant. I observed that this initial stamp had been counterfeited on a number of bids that were presented by Patrick Laughlin, and I very soon ascertained on inquiry that William D. Kittle was interested in those bids, and was in all probability the real party to them. By setting a special agent upon the investigation of these things, (this same special agent, Major Petherbridge,) he very shortly discovered that the counterfeit stamp had been made by an engraver in this city, and that it had been made at the request of William D. Kittle. He also ascertained that after they had obtained this stamp Kittle had, by connivance with at least one, and may be more than one, clerk in the Post-Office Department, succeeded in putting the impress of that stamp upon bids in his own room, or in other places in the city, and slipping them in out of time, and after the time for receiving bids had passed, at lower rates than any proposals that were received on the same routes.

Q. There were clerks also involved in that?—A. There were.

Q. And the prosecution of a gentleman of the name of J. J. Hinds grew out of that evidence?—A. Yes, sir.

Q. Why didn't the Post-Office Department prosecute Kittle at that time, being well aware of the fraud he had committed upon the Department, and of his general character?—A. I believe it was deemed best by some of the officers of the Post-Office Department to pledge to Kittle immunity from punishment in order to ascertain from him all the facts in connection with this transaction.

Q. Before that pledge was made to Kittle, had Major Petherbridge obtained any evidence showing what clerks had been connected with Kittle in the matter?—A. No, sir; I am not certain that he had obtained any positive testimony in regard to that. He had obtained testimony, however, that satisfied me as to the fact that Kittle had procured the making of this counterfeit stamp.

Q. Was that the only evidence he had?—A. That was about all the evidence he had, as I understood it at the time—that a proposition was made to Kittle, or that he made a proposition himself which was accepted.

Q. Why was Hinds prosecuted instead of Kittle?—A. I can tell you in general terms all I know about it, and that is that Kittle and some two or three or four clerks in the Department—I think perhaps four in all—who had been in one way or another mixed up with that attempted fraud, were pledged immunity from punishment if they would tell all they knew about that and other attempts at fraud, and frauds committed upon the Post-Office Department in the way of mail-biddings.

Q. And upon that promise the clerks and Kittle were made witnesses against Hinds, or they were used for that purpose?—A. They were used as witnesses against Hinds.

Q. Did those clerks confess to any other crime with any other contractors besides Kittle and Hinds?—A. No, sir. One of them, a man by the name of Floyd, who at that time had charge of the section in which the States of Texas and Louisiana were, and who was believed to be very considerably connected with frauds in the post-office, promised to make full confession in regard to them, but if he did so I was not aware of it. He was dismissed from the Department, and he came back afterward and overhauled the records, and made briefs of several mail-routes in Texas, but when he got his briefs made out they were nothing more nor less than an abbreviation of the records of the Department, and did not contain any matter that enabled the Post-Office Department to get at any facts that it could not have obtained from its own record.

Q. You say they were promised immunity from punishment if they would confess?—A. So I understood.

Q. Hinds was not convicted, was he?—A. Hinds was not convicted; he was acquitted. There was no evidence against him at all, except the evidence of accomplices. There may have been a few corroborating circumstances that were furnished by the records, but there was nothing material in testimony except what was furnished by the records.

Q. It always appeared to me strange that some of those clerks were not prosecuted. Do you know why they were not prosecuted?—A. The reason assigned to me was that it was the opinion of the Department that there had been considerable frauds practiced, and that those clerks had been identified with them in one way or another, and it was believed, if they could only be assured that they would not be prosecuted, they would give a good deal of information that would enable the Department at least to purify its records, if it did not bring certain parties to justice, but after the whole thing was over I could not discover that anything had been learned more than the records would have furnished. So far as their connection with those particular transactions was concerned, one or two of the clerks made a full confession of that.

Q. Confessed they had received money from Kittle?—A. Yes, sir.

Q. Was Kittle made any other promise in that connection beside immunity from punishment?—A. Not to my knowledge.

Q. Did he have any contracts with the Department at the time?—A. Some that were about closing.

Q. But had not closed?—A. But had not closed.

Q. What time did this occur?—A. This occurred in the month of April or May, 1875.

Q. And his contract expired in July?—A. His contract expired on the 30th of June of the same year—at the expiration of that fiscal year.

Q. If there was no promise of immunity made to Kittle in regard to this contract as to immunity from punishment, would not the Post-Office Department have been justified, having learned the combination he had entered into, to have annulled his contract for that length of time?—A. That question was submitted to the Assistant Attorney-General of the Department, who decided it would not.

Q. What was the ground of the decision?—A. The ground of the decision was that the subsequent acts of a man did not affect contracts already in existence; that it only tainted the contract as far as his proposal where Patrick Laughlin was concerned.

Q. Do you mean by that that it could not have an *ex post facto* reference?—A. Simply this, that the frauds that were discovered in the Department were frauds that related to contracts not yet commenced, and not to contracts then in existence. Kittle had a contract, and there was no evidence that his contracts were obtained by fraud in the first instance, or that they were fraudulently extended afterward.

Q. Is it held, in the Post-Office Department, to be the proper construction of the law that a contract could not be annulled for a fraudulent combination, or whatever is unlawful? Is it held to be the law that the fraud must be committed in regard to the contract itself, before the contract can be annulled?—A. I don't know that any case has arisen which presented that question. I have no knowledge of any such case having arisen.

Q. It struck me in this way, that when a mail-contractor entered into a combination to defraud the Government, if that was a proper reason for annulling a contract, that you could annul any contract he had entered into or that was then existing, for that reason. Now, you do annul contracts that are running for offenses that are committed after the original contract was entered into?—A. Not unless they relate to that contract.

Q. Do they have to relate to that contract specially?—A. I will answer that by saying again, that the question you present has never yet arisen in the Post-Office Department to my knowledge.

Q. It arose in this case?—A. No, sir.

Q. Kittell committed fraud?—A. Kittell committed fraud in an attempt to get a contract.

He had not, so far as the Department knows, committed a fraud in procuring the contract already in existence, and it was held by the Assistant Attorney-General that his attempted fraud in trying to procure a contract did not annul nor make the contract void which was then in existence.

Q. Then a man can go on and commit any breach of law in regard to a contract to be entered into in the future, and that violation of law would have no effect on any contract that was entered into previous to that, although the contract was still going on?—A. I do not say so, and I have not said so. I have only told you what were the facts in this case.

Q. What was the decision?—A. The decision in this case was just what I tell you, that the contracts of William D. Kittle, then in operation, were not necessarily void by reason of the fact that he had subsequently attempted to commit another fraud upon the Post-Office Department.

Q. You say there was no other arrangement made by which Kittle could derive any advantage from his contract besides his immunity from punishment?—A. No, sir.

Q. Mr. Hopkins testified that he made a report to the Department, and that he finds that there should have been charged up against Kittle deductions to a large amount, probably \$26,000, and that they were all remitted by the Department except about \$1,900, probably. I want to know why that occurred.—A. I will explain that by saying that when I went into the Post-Office Department in the month of March, 1875, Special Agent Hopkins was then in Texas looking into indefinite charges which had come to the Department to the effect that Kittle and other contractors in Texas were committing frauds upon the Department in this way: that where a company had a contract for carrying mails three times a week on a route, that by collusion with the postmasters they would carry the mails once a week on the route, and get reports from the postmasters that they were carried in accordance with the contract. He was down there investigating that. The regulations of the Post-Office Department require that the postmasters at the termini of the route shall report monthly the arrival and departure of mails on the route, and word came that the postmasters were making false reports. Hopkins came back with a report, after I came into the Department, showing, or assuming—I cannot say it showed, but it assumed, that Kittle had not performed his duty faithfully on some of his routes. There was conflicting testimony in regard to that matter. When that quarter was ended, the only unpaid quarter upon his route, and the last quarter of all his contracts—

Q. This occurred after these frauds came out?—A. Some of these supposed frauds had been committed during a preceding quarter, or preceding quarters, I may say, which had been settled in full by the Post-Office Department, without a knowledge of the fraud. The matter was referred to the Assistant Attorney-General, who decided the Post-Office Department could settle with Kittle for the service that had not previously been certified to the Auditor for payment precisely in accordance with the proofs that were before the Department, but that we could not go back into the previous quarter and charge up any frauds that were not clearly and unmistakably proved against his service then. In accordance with that decision, Special Agent Hopkins and the clerk who had charge of that branch of the inspection were directed by me to make a statement of what was due Kittle, if anything, for the service that had not been settled for, and he was paid precisely in accordance with the report that they made up.

Q. But they had instructions not to go back beyond that quarter?—A. That was the decision of the Assistant Attorney-General.

Q. And they were instructed, in accordance with that decision, that they were not to go back beyond that quarter?—A. Yes, sir. Now, let me finish the history of that by saying that after this opinion of the Assistant Attorney-General was obtained, it was placed in the hands of the head of the inspection division, Mr. Lake, with instructions to inform his clerks of the full character of that opinion, and that they made up the statement of the services for that quarter, which was reported for settlement during my absence and was settled during my absence, and after I came back I learned that it was done, and looked over it to the extent of finding they had conformed to the opinion of the Assistant Attorney-General.

Q. Do you know how much money was paid Kittle on this settlement?—A. I do not. I could not tell without looking at the records.

Q. Money was paid to him on that settlement?—A. Yes, sir. There were very large deductions, but I cannot tell you how much.

Q. They did not cover all his pay?—A. O, no, sir; there was something due him.

Q. Has not the Department, in other instances where reasons for deductions or fines were found to exist after a quarter had passed, has not the Department assessed those fines and collected them out of the pay that came in another quarter?—A. Not that I am aware of.

Q. That never was done?—A. I don't say it was never done, for I don't remember but one other case in which the question was raised, and that case was, likewise, submitted to the Assistant Attorney-General, and the same opinion was given.

By Mr. CLARK:

Q. Rumors had come to you that one quarter prior to this one that you were speaking of this settlement covering, there had been collusion between the postmasters at the termini of one or more of the Kittle routes and Kittle?—A. Yes, sir.

Q. By virtue of which collusion it appeared he had performed the service in full, and he had been duly and regularly paid for it?—A. Yes, sir.

Q. The question you submitted to the Assistant Attorney-General was whether or no, in consequence of those rumors, you could go to work upon that quarter's pay and enter up fines against him for quarters prior to that time, settlement having been made?—A. Yes, sir; in the absence of positive and undoubted proof.

By Mr. CANNON:

Q. Suppose the proof had been positive?—A. Then I cannot tell you what the Assistant Attorney-General would have decided.

Q. That question didn't arise?—A. No, sir.

By Mr. CLARK:

Q. Did the Assistant Attorney-General say, "In the absence of positive and undoubted proof?"—A. No, sir.

Q. Why did you use those words?—A. Because that was the fact. The Assistant Attorney-General found this, that the regulations required that the proof of the performance of the service should come from the postmasters. The postmasters had reported the full performance of duty, or substantially so, and there was no positive evidence, nothing indeed but conflicting evidence, of the fact that the postmasters did not report the truth. The special agent was unable to find positively that the postmasters were in collusion in the attempt to commit fraud. He had some reasons to raise a suspicion that it was done, but he had no proof of it, and the Assistant Attorney-General, I presume, acted upon that rule of law which says that frauds must not be inferred, but must be proved.

By Mr. CANNON:

Q. I will ask you, where a contract is annulled and service discontinued, whether under the regulations and the law you don't have to allow a month's pay?—A. That is for a discontinuance of service.

Q. Even if you had had the power to discontinue, Kittle's service, being upon the last quarter, would it have been economical to have discontinued it?—A. I think in all probability if there had been absolute evidence of fraud it might have been held that that provision of the statute did not apply. However, that is a mere opinion of my own, and would not be the legal opinion of the Department.

Q. You spoke of the prosecution of Hinds, and the fact that four clerks, as I understood, Floyd and Channell, perhaps, and two others, were promised immunity, as well as Kittle, from prosecution?—A. Yes, sir.

Q. Did you personally make that arrangement yourself, or was it made by some one else in your Department?—A. I did not make that arrangement.

Q. Was it done upon your advice?—A. No, sir.

By Mr. CLARK:

Q. Who did make it?—A. I am unable to answer that question.

Q. You don't know?—A. I only know that it was done.

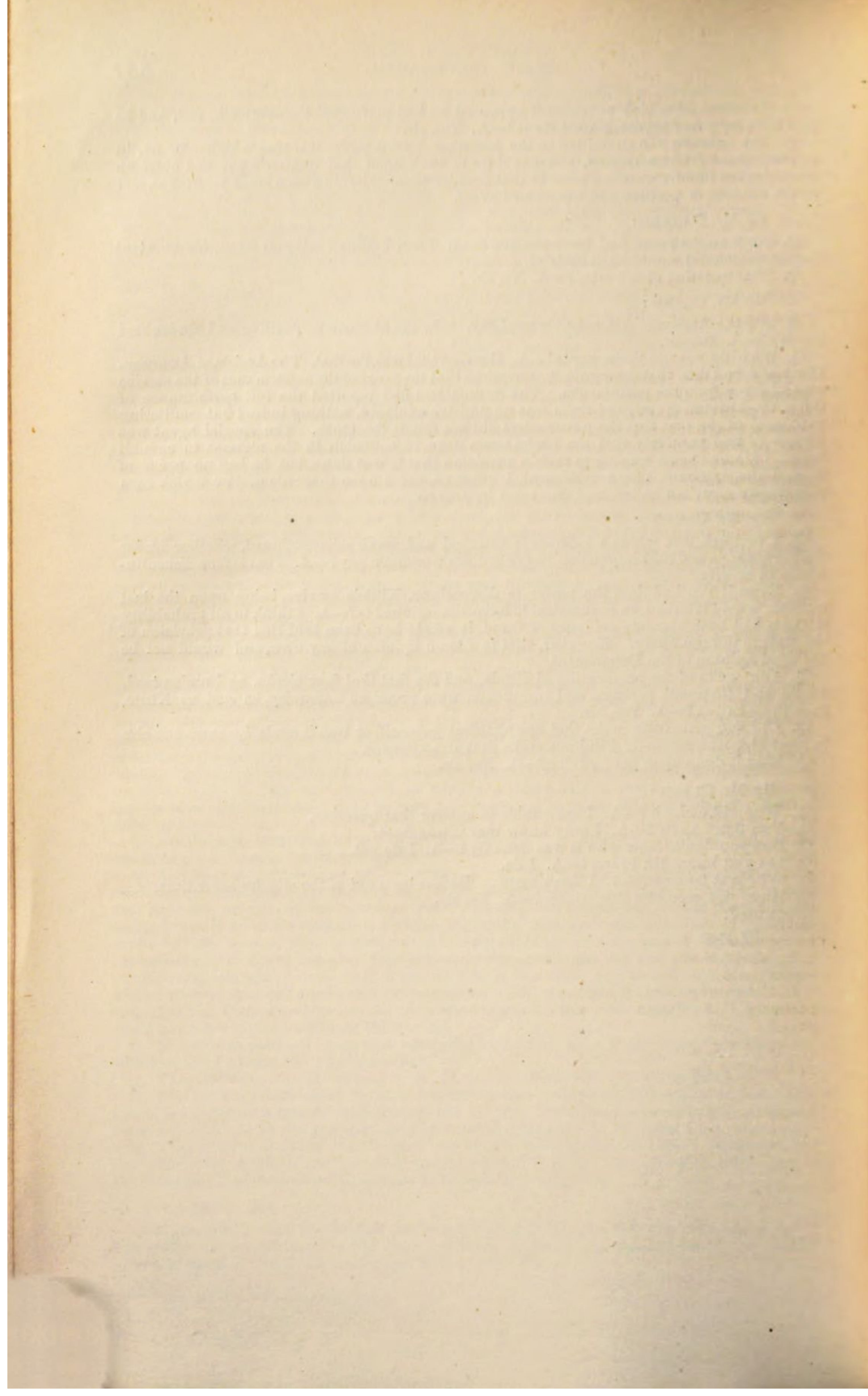
Q. But you don't know who it was done by?—A. I do not.

Q. Do you know Mr. Floyd?—A. I do.

Q. Where is he now?—A. I don't know. He has been out of the city for some time.

Q. Have you seen him this winter?—A. No, sir.

Adjourned.



APPENDIX.

Letter of the Postmaster-General, under date of the 19th July, 1871, to Hon. A. T. Akerman, Attorney-General, asking his opinion as to the true interpretation of the laws bearing on the subject of making temporary contracts for the transportation of the mails.

POST-OFFICE DEPARTMENT, July 19, 1871.

SIR : The law limits the duration of contracts for carrying the mail to four years, (act of March 3, 1825, Statutes, volume 4, page 104.) The Union is divided for this purpose into four sections, so that the contracts for a section expire and are relet each year. At each of these annual lettings more or less bids of a fictitious character, or at inadequate compensation, or from bidders without means or knowledge of business, have been received, and, when lowest, have been accepted, as required by law, (section 24, act of July 2, 1836, Statutes at Large, volume 5, page 80.) It thus often happens that failures occur to execute contracts and perform service, rendering it necessary to relet the service at the expense of the failing bidder, as enjoined by the 44th section of the act of March 3, 1825, (Statutes at Large, volume 4, page 114,) and the 27th section of the act of July 2, 1836, (Statutes at Large, volume 5, page 86.) The section last referred to says that in case of failure the Postmaster-General "shall *proceed to contract* with some other person or persons," &c.

The question then arises, How, or in what manner shall the Postmaster-General "proceed" to obtain this contract? Usage in such cases has varied according to circumstances and the differing views of the different heads of the Department. In some cases, when a failure has occurred from the simple inability of a bidder to go on with the service, the next lowest bidder has been taken if his figures were reasonable; and, if he declined, a second, and even a third offer made to bidders standing on the books. This course was pursued to save trouble, time, and expense in re-advertising.

In other instances, and perhaps in a majority of cases, the routes have been re-advertised. The result of the last annual letting of routes in the Southern States for service from July 1, 1871, to June 30, 1875, shows a much larger number of failures than usual, and the indications are that a great number of the bids are "straw," or fictitious; not the lowest only, but others running from low to high rates, as if intended to accomplish ulterior and sinister purposes.

One of the duties of the Postmaster-General, as prescribed by the first section of the act of Congress of March 3, 1825, "to reduce into one the several acts establishing and regulating the Post-Office Department," (Statutes at Large, volume 4, page 102,) is that "he shall provide for the carriage of the mail on all post-roads that are or may be established by law," &c. To this end section 10 of the same act (volume 4, page 104) makes it his duty to give public notice, "in one newspaper published in the State or States or Territory where the contract is to be performed, for at least twelve weeks before entering into contract for carrying the mail, that such contract is intended to be made, and the day on which it is to be concluded," &c.

By act of March 3, 1865, the insertion in papers published in the States is limited to six weeks instead of twelve.

In the twenty-third section of the act "to change the organization of the Post-Office Department," &c., approved July 2, 1836, (Statutes at Large, volume 5, page 85,) this language is used :

"It shall be the duty of the Postmaster-General, before advertising for proposals for the transportation of the mail, to form the best judgment practicable as to the mode, time, and frequency of transportation on each route, and to advertise accordingly."

And then follow the words :

"Whenever it shall become necessary to change the terms of any existing contract * * * or to enter into a contract at any other time than at the annual letting, the Postmaster-General shall give notice, in one newspaper published * * * as near as may be to the route on which the services are to be performed, for at least four weeks before * * * making such contract, inviting proposals therefor, which proposals shall be received and opened, and such *proceedings thereon* had in all things as at the annual lettings: *Provided, however,* That the Postmaster-General may make temporary contracts until a regular letting can take place."

The "*proceedings thereon*" are those described in the twenty-fourth section of the same act, (vol. 5, page 86,) viz:

"That proposals for mail-contracts shall be delivered to the Department sealed, and shall be kept sealed until the biddings are closed, and shall then be opened and marked in the presence of the Postmaster-General and one of the Assistant Postmasters-General, or in the presence of two of the Assistant Postmasters-General."

The "annual letting" mentioned in the section of the act of 1836 quoted above is understood at the Department to mean the lettings of contracts for four years' service, as directed by the act of 1825.

To obtain your opinion as to the true interpretation of the laws bearing on this subject, and the proper course for the Department to pursue to protect, not only the interests of the United States, but the rights of honest and *bona-fide* bidders, is the object of this communication.

First. Is the Postmaster-General authorized to make any contracts for the conveyance of mails, other than for "temporary" service, except under or in pursuance of bids received after inviting them by advertisement; or, more particularly, if the lowest bidder at an 'annual letting' fails to enter into contract and perform service, can the Postmaster-General legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising; or is it lawful, after once advertising and failing to secure a contractor, to contract with a party who has not been a bidder, on a proposition informally submitted, for the contract term?

Second. What meaning is to be attached to the word "temporary," as used in the proviso to the 23d section of the act of July 2, 1836? Can it be made to authorize a period of one year, so as to terminate a contract at the next annual letting; or is it limited to the time actually necessary to advertise—four weeks—and go through the process of opening, deciding, and awarding as detailed in the laws?

Very respectfully, your obedient servant,

J. A. J. CRESWELL,
Postmaster-General.

Hon. A. T. AKERMAN,
Attorney-General.

DEPARTMENT OF JUSTICE,
July 22, 1871.

SIR: Your letter of the 19th instant, after stating the difficulties which have arisen in your Department in consequence of fictitious or "straw" bids for contracts for carrying the mails, propounds to me certain questions, as follows:

"First. Is the Postmaster-General authorized to make any contracts for the conveyance of mails, other than for temporary service, except under or in pursuance of bids received after inviting them by advertisement; or, more particularly, if the lowest bidder at an 'annual letting' fails to enter into contract and perform service, can the Postmaster-General legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising; or is it lawful, after once advertising, and failing to secure a contractor, to contract with a party who has not been a bidder, on a proposition informally submitted, for the contract term?"

When an accepted bidder fails to enter into an obligation with sufficient sureties for the performance of the service, the 27th section of the act of July 2, 1836, (5 U. S. Stat., 86,) requires the Postmaster-General "to contract with some other person or persons for the performance of the service."

What authority has the Postmaster-General in contracting under such circumstances? Three answers have been suggested: first, that he must contract with the next lowest bidder; second, that he has an unlimited discretion as to the contractor and the terms; third, that he must advertise anew, and award the contract to the lowest bidder under the new advertisement.

The act of July 2, 1836, section 24, (5 U. S. Stat., 86,) and the act of March 3, 1845, section 18, (5 U. S. Stat., 738,) give the contract to the lowest bidder. No statute authorizes an alternative acceptance of the next lowest or of any other bid. The contract is offered to the lowest bidder. The bids are tendered for acceptance only in the event that they shall prove to be the lowest, and by the acceptance of one as the lowest the others are discharged. Thenceforth the law looks only to the successful bidder, and while it holds him and his guarantors responsible for his failure to complete the contract for the performance of the service, (act of March 3, 1825, section 44, 4 U. S. Stat., p. 114; act of July 2, 1836, section 27, 5 U. S. Stat., p. 86,) it does not hold the other bidders in waiting to supply his default. These others have no further claim upon the Government, and the Government has no further claim upon them.

The construction that gives to the Postmaster-General an unlimited discretion upon the failure of the accepted bidder to complete the contract, leaves in operation much of the mischief which the laws on the subject of advertisements and bids were designed to suppress.

It was the policy of those statutes to subject the Postmaster-General to a rigid rule in the matter of contracts for the carrying of the mail; and that policy is practically overturned, if a single fictitious bid remits the contract to his discretion.

An unqualified direction that he shall contract must be taken to signify that he shall contract according to the general rule of mail contracts, to wit, after advertisement and with the lowest bidder, (act of March 3, 1825, section 10, 4 U. S. Stat., 104.) The 23d section of the act of July 2, 1836, (5 U. S. Stat., 85,) especially provides for advertisement whenever it becomes necessary "to enter into a contract for the transportation of the mail at any other time than the annual letting," (temporary contracts alone excepted,) a provision which seems to have been contrived for such cases as that now under consideration. From an early period the law has required advertisements for mail-contracts. (See act of February 20, 1792, section 6, 1 U. S. Stat., 234; act of May 8, 1794, section 6, *ibid.*, p. 358; act of April 30, 1810, section 8, 2 U. S. Stat., 595, and the acts above cited.) The object is manifest, to get for the Government the benefit of competition. From necessity, an exception is allowed in the case of temporary contracts, (act of July 2, 1836, section 23;) but a construction which admits the fewest exceptions, and leaves the least to the discretion of the Postmaster-General, is most in accordance with the general policy of the law.

I am thus brought to the third of the suggested answers, and adopt it as the most conformable both to the letter and general policy of the law. The most plausible objection to it is that it exposes the Department to the vexation of a second fictitious bid. But I do not feel authorized to reject a conclusion, otherwise satisfactory, for the reason that it places a second effort to effect the contract in the same danger as the first.

On account of the loss of time in the first effort, the second offer of the contract must frequently be for less than a full term, and it could not have been the intention of Congress to guard the less by precautions not thrown around the greater. The failing bidder and his guarantors are made liable for the whole difference between his bid and the amount for which, on his failure, the Postmaster-General contracts, (act of July 2, 1836, section 27.) It is not probable that Congress intended that the amount of this liability should depend on the mere discretion of the Postmaster-General.

There would be no inconvenience under present legislation if the Department could make sure of the responsibility of the guarantors; but I am informed that no precautions yet devised have been found effectual to this end. Congress can easily provide a remedy; and until that shall be done, I see no way to protect the Department from any occasional imposition through fictitious bids.

Hence, by way of specific answers to your questions, I am of opinion that you are not authorized to make any contracts for the conveyance of mails, other than for "temporary" service, except under or in pursuance of bids received after inviting them by advertisement. If the lowest bidder at an "annual letting" fails to enter into contract and perform service, you cannot legally contract with the next lowest bidder who will agree to perform the service at his bid for the whole term without re-advertising. It is not lawful, after once advertising and failing to secure a contractor, to contract with a party who has not been a bidder on a proposition informally submitted for the contract term.

Your letter also contains the following inquiries:

"Second. What meaning is to be attached to the word 'temporary,' as used in the proviso to the 23d section of the act of July 2, 1836? Can it be made to authorize a period of one year, so as to terminate a contract at the next annual letting; or is it limited to the time actually necessary to advertise—four weeks—and go through the process of opening, deciding, and awarding, as detailed in the law?"

I am of the opinion that, except in the case hereinafter mentioned, this word should not be construed to authorize a discretionary contract for a term extending beyond the time when the next annual letting will take effect, but the Postmaster-General has a discretion within that limit to advertise immediately or to wait until the time for the usual annual advertisement. The exception to this rule is when the exigency arises too late in the contract-year for the advertisement and letting to be completed before the beginning of the next year, in which case the right to make temporary contracts extends through the succeeding year.

This word must be construed not merely with reference to the class of cases which has occasioned your present call for an opinion, but in reference to any other case of an interruption in the regular mail-service for which a temporary contract must provide. For illustration, in the accidents to which mail-service is liable, an interruption might occur six weeks before the time when the new regular contracts would take effect. Four weeks would be required for advertisement. Congress could not have intended to subject the Postmaster-General to the necessity, in such a case, of increasing the expense of advertising for a service merely of two weeks, and for so brief a service it is not likely that advertisement would produce bids advantageous to the Government.

When, however, the occasion for a temporary contract arises so long before the annual letting as to justify the expense of advertising and to make it probable that a saving to the Government would be effected by inviting bids, the Postmaster-General would, no doubt, feel disposed to conform as closely as possible to the general policy of the law, which is

that mail-service shall be generally performed by the person who will be found to do it for the least money, after public advertisement.

Very respectfully, your obedient servant,

A. T. AKERMAN,
Attorney-General.

Hon. J. A. J. CRESWELL,
Postmaster-General.

Section 3943, Revised Statutes United States.—"The Postmaster-General may contract with the owner or master of any steamboat plying upon the waters of the United States, or of any steamship or other vessel plying between ports of the United States, for carrying the mail for any length of time less than four years, and without advertising for proposals therefor, whenever the public interest and convenience will thereby be promoted; but the price paid for such service shall in no case be greater than the average price paid under the last preceding or then existing regular contract on the same route."

Section 5440, Revised Statutes.—"If two or more persons conspire, either to commit any offense against the United States, or to defraud the United States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, all the parties to such conspiracy shall be liable to a penalty of not less than one thousand dollars and not more than ten thousand dollars, and to imprisonment not more than two years."

POST-OFFICE DEPARTMENT,
Washington, D. C., February 21, 1876.

I, Marshall Jewell, Postmaster-General of the United States of America, certify that the annexed are true copies of the originals now on file in this Department.

In testimony whereof I have hereto set my hand and caused the seal of the Post-Office Department to be affixed, at the General Post-Office in the city of Washington, the day and year above written.

[SEAL.]

MARSHALL JEWELL,
Postmaster-General.

NEW ORLEANS, LA., *June 17, 1869.*

We have the honor to represent the necessity of greater mail facilities between the various cities and military stations on Red River, and New Orleans, La. The military post and stations on Red River are dependent upon New Orleans for their supplies, as well as all Northeastern Texas, and there does not exist at this time any mail-communication by steamboat. We are indebted to the politeness of captains and clerks of steamboats for conveying such mail-matter as it is desirable to send with expedition and dispatch to the region of country above named. By the present arrangement the mail is carried up the Mississippi River to the mouth of Red River, and from that point it is carried by land through the various towns in Louisiana and Northeastern Texas.

We have the honor to request that some arrangements may be made whereby a regular mail-communication may be secured by river from New Orleans to all the towns on Red River as far up as Jefferson.

Very respectfully, your obedient servants,

A. BECKWITH,
Brevet Major-General, U. S. A.
FRED. MYERS,
Deputy Quartermaster-General.

Hon. J. A. J. CRESWELL,
Postmaster-General.

[Indorsements.]

HEADQUARTERS DEPARTMENT LOUISIANA,
June 18, 1869.

In my opinion it would be for the interest of the Government, as well as for the benefit of a large number of people living on and near Red River, that a reliable mail-route be established as prayed for within.

JOS. A. MOWER,
Brevet Major-General, U. S. A.

WASHINGTON, July 29, 1869.

I certify that I am personally and officially acquainted with the parties to this instrument. The signatures are theirs and in their official capacity.

W. T. SHERMAN,
General.

WAR DEPARTMENT,
July 30, 1869.

I know the officers who make and concur in the within representations, and their statements are entitled to the highest weight and credit.

JNO. A. RAWLINS,
Secretary of War.

SIR: The undersigned, citizens and merchants of Alexandria, La., respectfully represent that they have suffered and are suffering by the irregularity of the mails between here and New Orleans.

That land conveyance is uncertain and some parts of the year impossible; that river conveyance is much more regular and expeditious.

That for these and other considerations they request and pray your honor to cause the mails to be sent by river between here and New Orleans by river, and by some responsible and reliable person.

We are, respectfully, your obedient servants,

J. FELLOWS.

Signed by thirteen others.

Hon. J. A. J. CRESWELL,
Postmaster-General.

SIR: The undersigned, citizens and merchants of Shreveport, La., respectfully represent that they have and are now suffering great injury from the irregularity of the mails between here and New Orleans.

That land conveyance is uncertain and some parts of the year impossible; that river conveyance is much more regular and from three to four days sooner; that when the mails go overland, the transit being so uncertain the people, in order to secure greater safety and expedition, are compelled to send by boat at considerable risk, there being no responsible party to take charge of the letters, (there being no mail-service by boats.)

That for these and other reasons they request and pray your honor to cause the mails to be sent by river, between here and New Orleans, by some responsible and reliable party, to the end that the grievous evil under which we have so long suffered may be remedied.

We are, respectfully, your obedient servants,

W. M. THACTHER.

Signed by thirty others.

Hon. J. A. J. CRESWELL,
Postmaster-General.

We, the undersigned, citizens and business men of New Orleans, La., respectfully represent that the mail facilities between this city and northwestern portions of this State and Northeastern Texas are inadequate to the demands of the business and wants of the respective places.

That the land conveyance is uncertain and portions of the year impossible, whereby great irregularity exists in the conveyance of the mails over that portion of the now established route, causing business men to send communications by the river to insure safety and security.

That boats run regularly between this city and those places all the year, and that river conveyance is much more regular, certain, and from three to four days less time than by land, as now traveled.

Wherefore, your petitioners pray that a through mail-route may be established between this city and Jefferson, Tex., via the river, supplying all the principal intermediate places, and that daily service be performed by some of the regular lines of boats which run between the two places.

We are, respectfully, your obedient servants,

J. W. BURBRIDGE & CO.,
And thirty-six other firms and individuals.

Hon. J. A. J. CRESWELL,
Postmaster-General.

SIR: The undersigned, citizens of Jefferson, Tex., respectfully represent that they have and are now suffering great injury by the irregularity of the mails between this place and New Orleans.

That the land conveyance is uncertain and some parts of the year impossible; that river conveyance is much more regular and from three to four days sooner.

That when the mails go overland, the transit being so uncertain, the people, in order to secure greater safety and expedition, have to send by boat at considerable risk, there being no responsible party to take charge of the letters, and there being no mail-service by boats.

That for these and other reasons they request and pray your honor to cause the mails to be sent by river, between here and New Orleans, by some responsible and reliable party, to the end that the grievous evil under which we have so long suffered may be remedied.

We are, respectfully, your obedient servants,

J. W. MURPHY & CO.

Signed by forty-four other individuals and firms.

Hon. J. A. J. CRESWELL,
Postmaster-General.

[Special No. 1.]

GALVESTON, TEX., *September 16, 1870.*

SIR: In regard to the mail-service by river to Jefferson, Tex., I have to say, that, on arriving at New Orleans, I inquired of Special Agent Monroe, and of the deputy postmaster, the whereabouts of the contractor on this route, and from the way in which I was answered I was convinced that there was a feud or controversy between them, and I determined to make no inquiries of either contractor or special agent.

I have made careful inquiries of such men as Colonel Huvey, one of the largest Red River planters above Shreveport, a man of large means and business qualifications. He is the man who had the contract for removing the raft in Red River before the war. Also of Mr. Farguson, manager and partner of one of the largest commission-houses in New Orleans; of Major Gaines and other business men who are conversant with the interests of Red River and whose trade comes from that portion of the country, and all united in representing the service as one of great usefulness to the people of the section supplied. I am convinced that the service is a success.

Very respectfully, &c.,

JOHN M. OLIVER,
Special Agent Post-Office Department.

Gen. GILES A. SMITH,
Second Assistant Postmaster-General, Washington, D. C.

To the Hon. the POSTMASTER-GENERAL,
Washington, D. C.:

NEW ORLEANS, *April 5, 1872.*

The undersigned, citizens, merchants, and bankers of New Orleans, respectfully represent, that previous to February last mail-service was performed on routes from this city to Vicksburgh, Miss., and Shreveport, La., with regularity and dispatch, affording prompt means of communication with our numerous correspondents incident to the large amount of business transacted between the termini named, intermediate points, and this place. That since the 1st of February, '72, the service on said routes has been so irregular and failures so frequent, as to cause serious inconvenience and injury to our trade; that on each Saturday, particularly, the weekly reports of the cotton and other markets are made, and should be transported by mail. In addition thereto, the weekly edition of newspapers are issued, which, together with ordinary correspondence, make the Saturday's mail on route No. 8006, and on route to Shreveport, La., the most important of the week. Since last February the failures on said routes, and on Saturday, particularly, have been so frequent as to suggest to the undersigned the propriety of calling the attention of your Department to these facts, and the expression of our trust, as herein conveyed, that you will take measures at once to restore the service here referred to, to its former efficiency, by requiring the contractor or contractors to furnish necessary and adequate transportation for the accumulated mails referred to, or such other measures of relief as may seem proper; and your petitioners will ever pray.

G. M. BAGLEY & POND.

New Orleans Times, per Henry Green, and sixty-two other firms.

[Indorsement.]

NEW ORLEANS, LA., April 5, 1872.

I have examined the signatures above, and know that the signers are among the very best of our merchants, very many being leading cotton and sugar merchants whose chief business is with the planters along the coast of the Mississippi River.

CHAS. W. LOWELL,
Postmaster.

WASHINGTON, April 29, 1872.

SIR: Learning that an effort is being made to abolish or discontinue service on the river mail-route between New Orleans and Shreveport, La., and Jefferson, Tex., we, the undersigned, Senators and Representatives in Congress, whose constituency are directly and deeply interested in the continuance of said service, beg to respectfully but earnestly protest against its discontinuance.

The business interests of several important commercial towns and cities would be signally compromised by any reduction of the Red River mail-service, and any movement contemplating its discontinuance seems to us too absurd and ridiculous for serious consideration. In this connection we beg to refer to the resolutions, (on file in your Department,) of the Chamber of Commerce of the city of New Orleans, where a daily service is recommended and requested on this route.

Very respectfully,

JNO. C. CONNER.
C. B. DARRALL.
W. S. HERNDON.
J. W. FLANAGAN.
J. R. WEST.
FRANK MOREY.

HON. J. A. J. CRESWELL,
Postmaster-General.

WASHINGTON, April 27, 1872.

DEAR SIR: The following statements have reached us concerning mail-route No. 8013, between New Orleans and Shreveport, La., which we respectfully submit, with our suggestions touching the same, viz:

1st. That the route is impracticable as a *safe, speedy, and reliable* means of communication, growing out of the facts that the boats plying between New Orleans and Shreveport are run at a heavy expense, which forces them to adopt their schedule of arrival and departure according to the business done, the mails being thus, of course, conveyed irregularly.

2d. The number of boats in the New Orleans and Shreveport trade has been greatly reduced within the last year by reason of the establishment of direct steamboat communication between Saint Louis and other western cities and the Red River country. This fact has recently forced the regular Red River boats into a grand combination for mutual protection, under the management of Captain Kirk, of New Orleans, (see telegram of Postmaster Lowell, of New Orleans, to Post-Office Department to that effect, dated 23d instant.) Boats at present "load in turn," as it is called, and send out *two packets a week*, making slow trips, owing to way-freights and stage of water.

Red River has been known repeatedly to remain for months at such a low stage as to almost close navigation.

3d. Route No. 8013 was first established in October, 1869; up to that time there was no regular contract for mails on Red River, but they were conveyed either by land-routes connecting Red River Landing by the old stage-road with Alexandria, Natchitoches, Mansfield, and Shreveport, or else by railroad from New Orleans to Monroe, and thence by stage to Shreveport, *either of which routes is more reliable than 8013*. In 1856 and 1858 the postmasters at New Orleans and Shreveport had authority to ship mails by the trip at \$25—not oftener than three times a week—but there was no contract, and the land-mails were mainly relied on. Route 8013 can therefore now be superseded, as there is not a single post-office on it that is not or cannot be supplied by the land-routes referred to, and connecting ones.

4th. Another fact should be stated, which is, that a majority of *planters and business men* in the "Red River Valley" reside back from the banks of the river, either upon the bayou-lands of "DeGage," "Bocuff," "Haffpower," "Rapides," "Pierre," "Cane River," or in the "Pine Hills," to all of whom the old established post-offices on the old stage-road, connecting Red River Landing and Shreveport, are not only most convenient, but they could not be changed elsewhere.

In view of such facts, we see no good reason why mail-service on route 8013 should be continued, and would advise the substitution of land-service. Tri-weekly mails are necessary, which can be conveyed regularly by land, while steamboats cannot undertake more than semi-weekly trips, and those without fixed times of departure and arrival, as already shown.

J. H. SYPHER.
L. A. SHELDON.

Hon. J. A. J. CRESWELL,
Postmaster-General.

I believe this statement to be correct, and think the course suggested for the best.
W. P. KELLOGG.

SIR: We have been apprised that a communication has been addressed to you representing that the present arrangement for carrying the mail between New Orleans and Shreveport, in Louisiana, and Jefferson, in Texas, by way of Red River, is impracticable in respect to safety, speed, and reliability, and that it would be for the public interest to abolish that route and have the mail delivered at all the points on the route 8013, by way of present interior land-routes 8031 and 8067, instead of by steamboats. We cannot agree with the gentlemen who address you on the subject, either in respect to the want of safety, speed, and reliability, or in the reasons assigned by them as the cause thereof. We take a very different view of the question. It is a conceded fact that the business population of Louisiana is to be found concentrated on the rivers and navigable bayous throughout the State, and these water-courses have ever been found the most convenient, in the absence of railroads, for speedy and reliable communication with the great mart, New Orleans. All the products of the State, and all the travel for business or pleasure, follow these water-routes, and all the supplies for the interior are transmitted in like manner so far as at all possible. It would not be so if these water-routes were not safe, speedy, and reliable. Why, therefore, should the transportation of the mails over these routes be deemed exceptionable? These considerations alone would justify our non-concurrence with the views of your correspondents; but when reference is made to the records of your Department, in respect to the carriage of the mail over the river-route 8013 from its establishment to February 1, 1872, we feel sure that the views and representations so presented to you by those gentlemen will be found entirely controverted.

We fail likewise to see in respect to the second point made in the communication referred to any sufficient reason why the business community should be discommoded in their mail communication—it may be said, at their very door—because the steamboats may not be so numerous at times on Red River. Such a circumstance might enhance the expense and vigilance of a contractor for carrying the mail over the route, and might influence him to suggest a sacrifice of the public convenience and right to relieve himself, but we think it would hardly influence the Department. The reference made by the gentlemen who addressed you, to the old-time land arrangement for carrying the mail on horseback or in buggies between New Orleans and Shreveport, seems to us to suggest that the Department made a mistake in changing to steamboats, but the fact that the mail now carried by the boats over the Red River route amounts to a bulk of from fifty to sixty bags, we think fully justifies the change, and renders it, we submit, inexpedient, if not quite impossible, to change back to a land-carriage of such a mail in view of greater facility or reliability of its delivery. And in respect to the magnified difficulties on the river-route, as suggested, in consequence of sometimes low stage of water for a brief period, we suggest that such difficulties on the river-route are more than counterbalanced by the difficulties on the interior land-routes, arising from overflow of rivers, bayous, and swamps.

We understand that the views of the New Orleans Chamber of Commerce and the postmaster and collector of customs at that port are already or will be placed before you, expressive not only of the importance and public convenience of the mail communication to Northwestern Louisiana and Texas by way of Red River, but their conviction that the facility of even a daily mail and additional post-offices should be extended to the business community over that route.

We feel, therefore, that we shall be borne out before the Department in our recommendation that the Red River mail-route be not abolished.

We are, sir, very respectfully, yours,

J. W. FLANAGAN.
J. R. WEST.
JNO. C. CONNER.
W. S. HERNDON.

To Hon. JOHN A. J. CRESWELL,
Postmaster-General.

POST-OFFICE DEPARTMENT, APPOINTMENT-OFFICE,
Washington, D. C., February 6, 1872.

SIR: In reply to your inquiry of this morning, I have to state that Aaron Johnson, late postmaster at Springville, Utah County, Utah, was removed from said office by order of March 30, 1870, and William D. Huntington appointed to succeed said Johnson in the post-office aforesaid.

This change was made upon the recommendation of J. H. Wickizer, a special agent of the Department.

Very respectfully, your obedient servant,

J. W. MARSHALL,
First Assistant Postmaster-General.

Hon. JOHN A. J. CRESWELL,
Postmaster-General.

A.
POST-OFFICE, NEW ORLEANS, LA.,
February 2, 1871.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General:

SIR: I have the honor to state for your information that I commenced sending the mails from New Orleans to Monroe, La., on the 2d of July last by railroad, and that since that time no mails have been sent from here to that point by steamboat-route No. 8105, Ouachita River.

Very respectfully,

CHAS. W. LOWELL, Postmaster.

Paper marked "B" is a copy of "A," made by the postmaster at New Orleans.

C.
POST-OFFICE, NEW ORLEANS, July 24, 1871.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General:

SIR: I have the honor to report for your information that no mails were sent from this office to Monroe, La., via route No. 8105, Ouachita River, in the quarter ending March 31, 1871. During that period mails for Monroe were sent by rail via Vicksburgh, Miss.

The only mails sent from this office by route No. 8105 were for points intermediate between New Orleans and Monroe, La.

Very respectfully,

C. W. LOWELL, Postmaster.

E.

POST-OFFICE DEPARTMENT, CONTRACT-OFFICE,
Inspection Division.

[State, Louisiana; route, No. 8105; year, 1870; quarter ending September 30.]

Termini of route, New Orleans to Monroe; contractor, Andrew N. Smyth; residence, New Orleans; county, ———; State, Louisiana.

Miles, ———; trips per week, two; pay, \$20,000; half-trip, \$96.15.

New Orleans.

August 5, 29, failed to arrive—no excuse.

Monroe.

July 16, 20, 23, 27, and 30, failed to arrive—no excuse.

August 3, 6, 10, 13, 17, 20, 24, 27, 31, failed to arrive—no excuse.

September 4, 8, 22, failed to arrive—no excuse.

Harrisonburgh.

September 11 and 18, failed to supply.

Columbia.

September 11, failed to supply.

Deduct \$1,730.70; fine, \$15.

G. A. S.

Date of case, November 22, 1870; reported to Auditor, November 26, 1870; notice to contractor, November 28, 1870.

E 1.

It appearing from affidavit of Geo. P. Hook that the failures at Monroe were occasioned by there being no mail to deliver at that office, and also from the postmaster at New Orleans that no mail was delivered at that office for route 8105, therefore remit \$1,538.40 of the deduction ordered November 22, 1870.

G. A. S.

FEBRUARY 18, 1871.

Reported to Auditor February 18, 1871.

E 2.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of July, 1870.

Post-office at New Orleans, county of Orleans, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, semi-weekly; contract-time of departure, semi-weekly.—Name of contractor, A. W. Smythe; name of carrier, steamboats.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Friday	1	.....	.....	Sunday	17	.....	.....
Saturday	2	.....	.....	Monday	18	.....	.....
Sunday	3	.....	.....	Tuesday	19	.....	.....
Monday	4	.....	.....	Wednesday	20	.....	4 p. m.
Tuesday	5	.....	.....	Thursday	21	6 a. m.	.....
Wednesday	6	.....	.....	Friday	22	.....	.....
Thursday	7	.....	.....	Saturday	23	.....	4 p. m.
Friday	8	.....	.....	Sunday	24	.....	.....
Saturday	9	.....	.....	Monday	25	.....	.....
Sunday	10	.....	.....	Tuesday	26	6 a. m.	.....
Monday	11	.....	.....	Wednesday	27	.....	4 p. m.
Tuesday	12	.....	.....	Thursday	28	2.30 p. m.	.....
Wednesday	13	.....	.....	Friday	29	.....	.....
Thursday	14	.....	4 p. m.	Saturday	30	.....	No mail.
Friday	15	.....	.....	Sunday	31	.....	.....
Saturday	16	.....	4 p. m.				

Report specially dates and causes of failures on next page.

Certified to be correct by

C. W. LOWELL, *Postmaster.*

[This page is for failures only.]

Instructions.—At the close of each month forward registers promptly, directed to contract-office, inspection division, Post-Office Department. Never inclose them in quarterly returns. This duty of forwarding registers promptly is a very important one, and its neglect is a positive detriment to the mail-service and injury to contractors, who cannot be paid until the registers have been forwarded and received. When register blanks are needed, apply to the above-named office.

Enter on the face of this register the day of the Week, of Month, and Hour of each arrival and departure, and when a failure occurs, simply give the date, entering the particulars of the failure—date, nature, cause, and any other particulars of it, on this page.

Never omit to enter an arrival or departure, otherwise the blank space left opposite the schedule-day may be considered as a failure, and thereby work unintentional injury to the contractor.

If the whole trip in any instance is not performed, report what service was performed—the distance actually run. Be careful about this.

Make out and keep on file in your office an exact copy of each register sent to the Department.

Be careful to give the right number of the route.

Postmasters failing or refusing to report service when required, although it may previously have been sent, will be reported to the Appointment-Office, Post-Office Department, for neglect of duty. This register blank is the only form of register now used.

The actual hour of arrival or departure must be given, whether it is in conformity with the schedule or not.

Day of week.	Of month.	Nature and causes of failures and detentions.
Saturday	30	The mail was sent to the boat, but the boat changing her day of departure until the following week, the mail was returned to the office.

E 3.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of August, 1870.

Post-office at New Orleans, county of Orleans, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, semi-weekly; contract-time of departure, semi-weekly.—Name of contractor, A. W. Smythe; name of carrier, steamboats.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Monday	1	2 p. m. ....	.....	Wednesday	17	.....	5 p. m.
Tuesday	2	.....	.....	Thursday	18	.....	.....
Wednesday	3	.....	5 p. m.	Friday	19	8 a. m. ....	.....
Thursday	4	.....	.....	Saturday	20	.....	5 p. m.
Friday	5	.....	.....	Sunday	21	.....	.....
Saturday	6	.....	5 p. m.	Monday	22	.....	.....
Sunday	7	.....	.....	Tuesday	23	.....	.....
Monday	8	6 a. m. ....	.....	Wednesday	24	6 a. m.	5 p. m.
Tuesday	9	.....	.....	Thursday	25	.....	.....
Wednesday	10	.....	5 p. m.	Friday	26	6 a. m. ....	.....
Thursday	11	.....	.....	Saturday	27	.....	5 p. m.
Friday	12	4.45 p. m. ....	.....	Sunday	28	.....	.....
Saturday	13	.....	5 p. m.	Monday	29	.....	.....
Sunday	14	.....	.....	Tuesday	30	.....	.....
Monday	15	6 a. m. ....	.....	Wednesday	31	.....	5 p. m.
Tuesday	16	.....	.....				

Certified to be correct by

C. W. LOWELL, *Postmaster.*

E 4.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of September, 1870.

Post-office at New Orleans, county of Orleans, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, semi-weekly; contract-time of departure, semi-weekly.—Name of contractor, A. W. Smythe; name of carrier, steamboats.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Thursday	1	3.30 p. m. ....	.....	Friday	16	.....	.....
Friday	2	.....	.....	Saturday	17	.....	5 p. m.
Saturday	3	.....	5 p. m.	Sunday	18	.....	.....
Sunday	4	.....	.....	Monday	19	6.40 p. m. ....	.....
Monday	5	.....	.....	Tuesday	20	.....	.....
Tuesday	6	5.15 p. m. ....	.....	Wednesday	21	.....	5 p. m.
Wednesday	7	.....	5 p. m.	Thursday	22	11 a. m. ....	.....
Thursday	8	.....	.....	Friday	23	.....	.....
Friday	9	6 p. m. ....	.....	Saturday	24	.....	5 p. m.
Saturday	10	.....	5 p. m.	Sunday	25	.....	.....
Sunday	11	.....	.....	Monday	26	.....	.....
Monday	12	.....	.....	Tuesday	27	.....	.....
Tuesday	13	7 a. m. ....	.....	Wednesday	28	6 a. m.	5 p. m.
Wednesday	14	.....	5 p. m.	Thursday	29	.....	.....
Thursday	15	1.30 p. m. ....	.....	Friday	30	6 a. m. ....	.....

Certified to be correct by—

C. W. LOWELL, *Postmaster.*

E 5.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of September, 1870.

Post-office at Harrisonburgh, county of Catahoula, State of Louisiana, route No. 8105, from Harrisonburgh to New Orleans.—Contract-time of arrival, p. m.; contract-time of departure, a. m.—Name of contractor, not known; name of carrier, Captain Work & Iseral.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
	1			Friday	16	2 p. m.	
Friday	2	2 p. m.			17		
	3			Sunday	18		2 a. m.
Sunday	4		2 a. m.	Monday	19	2 p. m.	
Monday	5	2 p. m.		Tuesday	20		2 a. m.
Tuesday	6		2 a. m.		21		
	7				22		
	8			Friday	23		
Friday	9	2 p. m.		Saturday	24	2 p. m.	
	10			Sunday	25		2 a. m.
Sunday	11		2 a. m.	Monday	26	2 p. m.	
Monday	12	2 p. m.		Tuesday	27		2 a. m.
Tuesday	13		2 a. m.		28		
	14				29		
	15				30		

Certified to be correct by—

S. E. DOWDEN, *Postmaster.*

E 6.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of September, 1870.

Post-office at Harrisonburgh, county of Catahoula, State of Louisiana, route No. 8105, from Harrisonburgh to Monroe.—Contract-time of arrival, p. m.; contract-time of departure, a. m.—Name of contractor, not known; name of carrier, Captain Work & Iseral.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
	1			Friday	16		2 a. m.
	2				17		
	3			Sunday	18	Failed	
	4			Monday	19		Failed
Monday	5		2 a. m.		20		
	6			Wednesday	21	2 p. m.	
Wednesday	7	2 p. m.			22		
	8				23		
Friday	9		2 a. m.	Saturday	24		2 a. m.
	10			Sunday	25	2 p. m.	
Sunday	11	Failed		Monday	26		2 a. m.
Monday	12		Failed	Tuesday	27	2 p. m.	
	13				28		
Wednesday	14	Failed			29		
Thursday	15	2 p. m.			30		

Report specially dates and causes of failures on next page.

Certified to be correct by—

S. E. DOWDEN, *Postmaster.*

[This page is for failures only.]

INSTRUCTIONS.—At the close of each month, forward registers promptly, directed to Contract Office, Inspection Division, Post-Office Department. Never inclose them in quarterly returns. This duty of forwarding registers promptly is a very important one, and its neglect is a positive detriment to the mail-service and injury to contractors, who cannot be paid until the registers have been forwarded and received. When register-blanks are needed apply to the above-named office.

Enter on the face of this register the day of the week, of month, and hour of each arrival and de-

parture, and when a failure occurs, simply give the date, entering the particulars of the failure, date, nature, cause, and any other particulars of it, on this page.
Never omit to enter an arrival or departure, otherwise the blank space left opposite the schedule-day may be considered as a failure, and thereby work unintentional injury to the contractor.
If the whole trip in any instance is not performed, report what service was performed—the distance actually run. Be careful about this.
Make out and keep on file in your office an exact copy of each register sent to the Department.
Be careful to give the right number of the route.
Postmasters failing or refusing to report service when required, although it may previously have been sent, will be reported to the appointment office, Post-Office Department, for neglect of duty. This register-blank is the only form of register now used.
The actual hour of arrival or departure must be given, whether it is in conformity with the schedule or not.

Day of week.	Of month.	Nature and causes of failures and detentions.
Sunday	11	Failed to arrive.
Wednesday	14	Do.
Sunday	18	Failed to come; cause not known.
Monday	12	Failed to leave.
Do	19	Had no sacks to send the mail in, as mine were not returned.

E 7.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of September, 1870.

Post-office at Monroe, county of Ouachita, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, twice a week; contract-time of departure, twice a week.—Name of contractor, Andrew W. Smythe; name of carrier, L. Lefilse.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Thursday	1	.....	.....	Friday	16	.....	.....
Friday	2	.....	.....	Saturday	17	8 a. m. ....	.....
Saturday	3	.....	.....	Sunday	18	10 a. m. ....	.....
Sunday	4	.....	.....	Monday	19	.....	10 a. m.
Monday	5	.....	.....	Tuesday	20	.....	.....
Tuesday	6	.....	.....	Wednesday	21	.....	.....
Wednesday	7	.....	.....	Thursday	22	.....	.....
Thursday	8	.....	.....	Friday	23	.....	.....
Friday	9	.....	.....	Saturday	24	.....	.....
Saturday	10	.....	.....	Sunday	25	.....	.....
Sunday	11	6 p. m. ....	.....	Monday	26	.....	.....
Monday	12	.....	.....	Tuesday	27	2 p. m. ....	.....
Tuesday	13	.....	.....	Wednesday	28	.....	.....
Wednesday	14	10 a. m. ....	.....	Thursday	29	9 a. m. ....	.....
Thursday	15	.....	12 m.	Friday	30	.....	12 m.

Certified to be correct by—

N. M. DINKGRAVE, *Postmaster.*

E 8.

POST-OFFICE, HARRISONBURGH, LA.,
September 8, 1870.

SIR: The mail-service was commenced on route No. 8105 from Harrisonburgh, La., to Monroe, La., on 5th of September, but the contractor does not deliver it at the office, but on the river-bank, and postmasters will be compelled to pay for having the mail carried to and fro to the river-landing.

Respectfully,

S. E. DOWDEN,
Postmaster.

E 9.

POST-OFFICE, COLUMBIA, LA.,
September 12, 1870.

SIR: I am at a loss to know or even to understand the run of our newly-invented humbug, to wit, the lately-established river mail-boats. I beg leave to report to you that last Friday, the 9th instant, the Seminole passed up and put off a mail at this office, and took a mail for your office. She passed down Sunday morning at 2 o'clock and landed at Columbia. I was at the office and was ready with two mail-bags, one for Harrisonburgh and one for the city, but they did not deliver any mail, nor would they take one, although I called to them and received an answer. I then told them I had two mails for them, but they paid no attention to me and started off. Please inform me if you received the mail I sent, as I understand they have not delivered any mails at your office.

Please use this in any report you make, if any.

Yours, respectfully,

WM. F. ROBERTS,
Postmaster.

POSTMASTER at Monroe, La.

E 10.

POST-OFFICE, MONROE, PARISH OF OUACHITA, STATE OF LOUISIANA,
September 13, 1870.

SIR: I beg leave to make the following report in regard to mail-service on route No. 8105, New Orleans, La., to Monroe, La.

In the first place, I have received no notice from Mr. W. A. Smythe, the contractor, either in person or by agent, of his being ready to commence service on said route as yet. To my knowledge, there has been but one mail, (one trip,) brought by the steamboats on this route to this office, which occurred on Sunday, the 11th, when a mail-bag containing letters from Columbia only was brought to the office from the steamer Economist. This was sent by a little boy who did not belong to the boat; the boat has since passed down, without any agent or carrier reporting or calling for the mail, which now lies in this office.

The Ouachita River now is so low that only the smallest boat can navigate between here and Columbia, (or vicinity,) and it is with no regularity that they perform their trips. I know of no one sworn as carrier on any of them, and, in fact, the officers seem to trouble themselves not at all about carrying the mail, although I have shown to the clerk of one of them your letters of August 26 and July 6, 1870, and notified him to report to me his authority from the contractor, and have a carrier sworn in to carry and protect the mails. The steamboats that leave New Orleans can only come within thirty or forty miles of here, and connection with them is made by these small light-draught boats of which I allude to above. As to whether the mails from New Orleans to offices below this have been carried regularly by the boats, I know not, but there is literally no service as yet been commenced to or from this office on route No. 8105.

I have written more than a week ago to the contractor, but have heard nothing from him. Service on route 8026 ceased on September 8, 1870.

Awaiting your instructions as to what to do, I am, very respectfully,

MRS. N. M. DINKGROVE,
Postmaster.

The Hon. SECOND ASSISTANT POSTMASTER-GENERAL,
Contract-Office, Washington, D. C.

E 11.

POST-OFFICE, MONROE, LA., PARISH OF OUACHITA, STATE OF LOUISIANA,
September 14, 1870.

SIR: Inclosed is a letter from the postmaster at Columbia, La., to me, which will explain itself.

I was waited upon yesterday by some of the citizens of the neighborhood of Columbia and Harrisonburgh, who complain that annulling the land contract on route No. 8026, Harrisonburgh to Monroe, La., is of the greatest disadvantage to the whole section of country along that route, for as it is now, the performance of service so far, on route 8105, New Orleans to Monroe, La., is a complete farce; in fact, there has as yet been no performance of service, as I stated in my letter of yesterday, and as D. M.

Pritchard ceased on the 8th instant to convey mail on route No. 8026, there have been no mails sent from this office to that portion of the country since.

I would most respectfully suggest that the contract on route No. 8026 be renewed, as it gave the offices on that route mails three times a week regularly, and again, as long as navigation is so impeded by the low water in the Ouachita, the steamboats cannot perform or make regular trips, and under circumstances at the present the contractor on route 8105 is very delinquent and negligent, and careless as to his duty.

This, with my letter of yesterday, and the inclosed, will show you how much cause for complaint the postmasters and citizens interested have.

Very respectfully, your obedient servant,

MRS. N. M. DINKGROVE.

The SECOND ASSISTANT POSTMASTER-GENERAL,
Contract-Office, Washington, D. C.

E 12.

POST-OFFICE, HARRISONBURGH, LA.,
September 14, 1870.

SIR: The mail from Columbia and Monroe has failed to arrive on the 10th and 13th, the cause not known, and as they did not return the mail in the only sack belonging to the office, and having no other, it was impossible to forward the mail from this place. I suppose the reason of the non-arrival of the mail is, the contractor on route No. 8016, from Monroe to New Orleans, does not deliver the mail at the office or send for it. It is delivered at the steamboat-landing, and postmasters do not know whether they have any right to pay for the conveyance of the mail to and fro to that point.

Respectfully,

S. E. DOWDEN,
Postmaster.

F.

POST-OFFICE DEPARTMENT, CONTRACT-OFFICE,
Inspection Division.

[State Louisiana; route No. 8105; year 1870; quarter ending December 31.]

Termini of route, New Orleans to Monroe; contractor, Andrew N. Smyth; residence, New Orleans; county, Orleans; State, Louisiana.

Miles, ———; trips per week, two; pay, \$20,000; half-trip, \$96.15.

New Orleans.

October 1, failed to arrive; no excuse.

December 18, 21, failed to arrive; no excuse.

Monroe.

The postmaster at Monroe reports no arrival during the quarter after October 12, and says the route is impracticable and can't be served above Columbia. There were twenty-six arrivals due at Monroe during quarter, and but three made.

Deduct \$2,499.90.

G. A. S.

Date of case, March 22, 1871; reported to Auditor March 25, 1871; notice to contractor March 31, 1871; remitted August 22, 1871.

F 1.

It being shown that the failures for which deductions were made were failures to convey the through-mail, which was sent by another route, and that the way-mails were received and delivered, remit the deduction of \$2,499.90 ordered March 22, 1871.

J. L. F.

AUGUST 22, 1871.

Special report, Wednesday, August 23, 1871; weekly report, August 26, 1871.

F 2.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of October, 1870.

Post-office at New Orleans, county of Orleans, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, semi-weekly; contract-time of departure, semi-weekly.—Name of contractor, A. N. Smythe; name of carrier, steamboats.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Saturday	1	.....	5 p. m	Monday	17	.....	.....
Sunday	2	.....	.....	Tuesday	18	7 a. m .....	.....
Monday	3	.....	.....	Wednesday	19	.....	5 p. m
Tuesday	4	.....	.....	Thursday	20	.....	.....
Wednesday	5	6 a. m	5 p. m	Friday	21	7 a. m .....	.....
Thursday	6	.....	.....	Saturday	22	.....	5 p. m
Friday	7	6 a. m .....	.....	Sunday	23	.....	.....
Saturday	8	.....	5 p. m	Monday	24	.....	.....
Sunday	9	.....	.....	Tuesday	25	5 p. m .....	.....
Monday	10	.....	.....	Wednesday	26	.....	5 p. m
Tuesday	11	7. 30 a. m .....	.....	Thursday	27	.....	.....
Wednesday	12	.....	5 p. m	Friday	28	7 a. m .....	.....
Thursday	13	4. 50 a. m .....	.....	Saturday	29	.....	5 p. m
Friday	14	.....	.....	Sunday	30	.....	.....
Saturday	15	.....	5 p. m	Monday	31	.....	.....
Sunday	16	.....	.....				

Certified to be correct by—

C. W. LOWELL, *Postmaster.*

F 3.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of December, 1870.

Post-office at New Orleans, county of Orleans, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, semi-weekly; contract-time of departure, semi-weekly.—Name of contractor, A. N. Smythe; name of carrier, steamers.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Thursday	1	.....	.....	Saturday	17	.....	5 p. m
Friday	2	7. 30 a. m .....	.....	Sunday	18	.....	.....
Saturday	3	.....	.....	Monday	19	.....	.....
Sunday	4	.....	.....	Tuesday	20	.....	.....
Monday	5	.....	.....	Wednesday	21	.....	5 p. m
Tuesday	6	11. 40 a. m .....	.....	Thursday	22	.....	.....
Wednesday	7	.....	.....	Friday	23	.....	.....
Thursday	8	.....	.....	Saturday	24	.....	5 p. m
Friday	9	.....	.....	Sunday	25	7 a. m .....	.....
Saturday	10	8. 45 a. m .....	.....	Monday	26	.....	.....
Sunday	11	.....	.....	Tuesday	27	7 a. m .....	.....
Monday	12	.....	.....	Wednesday	28	.....	.....
Tuesday	13	.....	.....	Thursday	29	.....	.....
Wednesday	14	5. 55 p. m .....	.....	Friday	30	.....	.....
Thursday	15	.....	.....	Saturday	31	8. 30 a. m .....	.....
Friday	16	.....	.....				

Report specially dates and causes of failures on next page.

Certified to be correct by—

C. W. LOWELL, *Postmaster.*

F 4.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of October, 1870.

Post-office at Monroe, county of Ouachita, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, twice a week; contract-time of departure, twice a week.—Name of contractor, A. N. Smythe; name of carrier, J. Lefilse.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Saturday	1	.....	.....	Monday	17	.....	.....
Sunday	2	.....	.....	Tuesday	18	.....	.....
Monday	3	10 a. m.	6 p. m.	Wednesday	19	.....	.....
Tuesday	4	.....	.....	Thursday	20	.....	.....
Wednesday	5	.....	.....	Friday	21	.....	.....
Thursday	6	10 a. m. ....	.....	Saturday	22	.....	.....
Friday	7	.....	2 p. m.	Sunday	23	.....	.....
Saturday	8	.....	.....	Monday	24	.....	.....
Sunday	9	.....	.....	Tuesday	25	.....	.....
Monday	10	.....	.....	Wednesday	26	.....	.....
Tuesday	11	12 m. ....	.....	Thursday	27	.....	.....
Wednesday	12	.....	.....	Friday	28	.....	.....
Thursday	13	.....	.....	Saturday	29	.....	.....
Friday	14	.....	.....	Sunday	30	.....	.....
Saturday	15	.....	.....	Monday	31	.....	.....
Sunday	16	.....	.....				

Report specially dates and causes of failures on next page.

Certified to be correct by—

N. M. DINKGRAVE, *Postmaster.*

[This page is for failures only.]

INSTRUCTIONS.—At the close of each month, forward registers promptly, directed to Contract-Office, Inspection Division, Post-Office Department. Never inclose them in quarterly returns. This duty of forwarding registers promptly is a very important one, and its neglect is a positive detriment to the mail-service and injury to contractors, who cannot be paid until the registers have been forwarded and received. When register-blanks are needed apply to the above-named office.

Enter, on the face of this register, the day of the week, of month, and hour of each arrival and departure, and when a failure occurs, simply give the date, entering the particulars of the failure, date, nature, cause, and any other particulars of it, on this page.

Never omit to enter an arrival or departure, otherwise the blank space left opposite the schedule-day may be considered as a failure, and thereby work unintentional injury to the contractor.

If the whole trip, in any instance, is not performed, report what service was performed—the distance actually run. Be careful about this.

Make out, and keep on file in your office, an exact copy of each register sent to the Department.

Be careful to give the right number of the route.

Postmasters failing or refusing to report service when required, although it may previously have been sent, will be reported to the appointment office, Post-Office Department, for neglect of duty. This register-blank is the only form of register now used.

The actual hour of arrival or departure must be given, whether it is in conformity with the schedule or not.

Day of week.	Of month.	Nature and causes of failures and detentions.
		No mail brought to this office by this route since 12th of the month; in fact, the low condition of the Ouachita River renders it impossible for the smallest boats to make regular trips between this and Columbia—the place where they connect with the packets out from New Orleans. I think it will be to the interest of the Department to order that the contractor only perform service as far up as Columbia, until the Ouachita River will permit free navigation to points above.

MRS. N. M. DINKGRAVE, *Postmaster.*

No. 6.

POST-OFFICE DEPARTMENT,
OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL,
INSPECTION DIVISION,
March 31, 1871.

SIR: A deduction of \$2,499.90 has been made from your pay as contractor on route No. 8105, for failure to deliver the mail at New Orleans October 1 and November 18 and 21, and for making twenty-three failures to arrive at Monroe during quarter ending December 31, 1870.

This has been done in accordance with the stipulation in your contract that "in all cases there is to be a forfeiture of the pay of the trip when the trip is not run; and of not more than three times the pay of the trip when the trip is not run and no sufficient excuse for the failure is furnished." No, pay, therefore, can be allowed for a trip not performed—no matter what obstacle may have prevented its performance, the price of the trip must be deducted; and if a satisfactory excuse is not received, more than the price (not exceeding three times) may be deducted. Contractors will see the importance, therefore, in cases of failure, of forwarding immediately, to this office, any excuse they may have to offer. Such excuse must state specifically the cause of the failure, and whether any, and, if any, what effort was made to perform the trip; and if part of it was performed, what part must be stated, and the distance given. All the facts stated must be verified by the oath of the party having a personal knowledge of them, or by the certificate of a postmaster.

Respectfully,

GILES A. SMITH,
Second Assistant Postmaster-General.

To ANDREW N. SMYTHE,
Contractor, New Orleans, La.

G.

POST-OFFICE DEPARTMENT, CONTRACT-OFFICE,
Inspection Division.

[State, Louisiana; route, No. 8105; year, 1871; quarter ending March 31.]

Termini of route, New Orleans to Monroe; contractor, Andrew A. Smyth; residence, New Orleans; county, ———; State, Louisiana.

Miles, 450; trips per week, two; pay, \$20,000; one-half trip, \$96.15.

New Orleans.

January 6, 9, 20, and 30, failed to arrive; no excuse.

Monroe.

January 7, 11, 14, and 26, failed to arrive; no excuse.

February 13, 24, failed to arrive; no excuse.

March 6, 10, 24, and 27, failed to arrive; no excuse; fourteen failures to arrive.

Deduct \$1,346.

G. A. S.

Date of case, May 12, 1871; reported to Auditor May 13, 1871; notice to Comptroller, May 15, 1871; remitted August 22, 1871.

G 1.

It being shown that the failures for which deductions were made were failures to convey the through-mail, which was sent by another route, and that the way-mails were received and delivered.

Remit the deduction of \$1,346 ordered on May 12, 1871.

J. L. F.

AUGUST 22, 1871.

Special report, Wednesday, August 23, 1871; weekly report, August 26, 1871.

MAIL CONTRACTS.

677

G 2.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of January, 1871.

Post-office at New Orleans, county of Orleans, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, semi-weekly; contract-time of departure, semi-weekly.—Name of contractor, A. W. Smythe; name of carrier, steamers.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
	1	.....	.....		17	.....	.....
	2	.....	.....	Wednesday	18	.....	5 p. m.
Tuesday	3	3.30 p. m. ..	.....		19	.....	.....
Wednesday	4	.....	5 p. m.	Friday	20	.....	5 p. m.
	5	.....	.....		21	.....	.....
	6	.....	.....		22	.....	.....
Saturday	7	.....	5 p. m.		23	.....	.....
	8	.....	.....		24	.....	.....
	9	.....	.....	Wednesday	25	7.30 a. m. ..	5 p. m.
	10	.....	.....	Thursday	26	5.45 p. m. ..	.....
	11	.....	.....		27	.....	.....
Thursday	12	7 a. m. ....	.....	Saturday	28	.....	5 p. m.
	13	.....	.....		29	.....	.....
Saturday	14	9 a. m.	5 p. m.		30	.....	.....
	15	.....	.....	Tuesday	31	.....	.....
Monday	16	8 a. m. ....	.....				

Certified to be correct by

C. W. LOWELL, *Postmaster.*

G 3.

Trips per week, —.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of January, 1871.

Post-office at Harrisonburgh, county of Catahoula, State of Louisiana, route No. 8015, from Harrisonburgh to New Orleans.—Contract-time of arrival, 12 a. m.; contract-time of departure, 2 p. m.—Name of contractor, not known; name of carrier, steamers.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
	*1	.....	.....		17	.....	.....
	2	.....	.....		18	.....	.....
	3	.....	.....		19	.....	.....
	4	.....	.....		20	.....	.....
	5	.....	.....		21	.....	.....
	6	.....	.....		22	.....	.....
	7	.....	.....		23	.....	.....
	8	.....	.....		24	.....	.....
	9	.....	.....		25	.....	.....
	10	.....	.....		26	.....	.....
	11	.....	.....		27	.....	.....
	12	.....	.....		28	.....	.....
	13	.....	.....		29	.....	.....
	14	.....	.....		30	.....	.....
	15	.....	.....		31	.....	.....
	16	.....	.....				

* Comes regularly twice a week and leaves twice a week, but it has no particular days, as the boats are not regular.

Certified to be correct by

S. E. DOWDEN, *Postmaster.*

G 4.

Trips per week, 3.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of January, 1871.

Post-office at Monroe, county of Ouachita, State of Louisiana, route No. —, from New Orleans to Monroe.—Contract-time of arrival, — —; contract-time of departure, — —.—Name of contractor, A. W. Smithe; name of carrier, steamboats.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Sunday	1	.....	.....	Tuesday	17	6 a. m. ....	.....
Monday	2	.....	.....	Wednesday	18	.....	.....
Tuesday	3	.....	.....	Thursday	19	.....	.....
Wednesday	4	4 a. m. ....	.....	Friday	20	.....	.....
Thursday	5	.....	.....	Saturday	21	.....	6 p. m.
Friday	6	.....	.....	Sunday	22	4 a. m. ....	.....
Saturday	7	.....	.....	Monday	23	.....	6 p. m.
Sunday	8	.....	6 p. m.	Tuesday	24	.....	.....
Monday	9	.....	.....	Wednesday	25	.....	.....
Tuesday	10	.....	.....	Thursday	26	.....	.....
Wednesday	11	.....	.....	Friday	27	.....	.....
Thursday	12	.....	.....	Saturday	28	.....	.....
Friday	13	.....	.....	Sunday	29	.....	.....
Saturday	14	.....	.....	Monday	30	10 p. m. ....	.....
Sunday	15	.....	.....	Tuesday	31	.....	.....
Monday	16	.....	.....				

Certified to be correct by

N. W. DINKGRAVE, *Postmaster.*

G 5.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of February, (see orig.,) 1871.

Post-office at Monroe, county of Ouachita, State of Louisiana, route No. 8105, from New Orleans to Monroe, La.—Contract-time of arrival, twice a week; contract-time of departure, twice a week.—Name of contractor, H. M. Smythe; name of carrier, steamboats.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Wednesday	1	6 p. m. ....	.....	Thursday	16	.....	.....
Thursday	2	.....	.....	Friday	17	7 p. m. ....	.....
Friday	3	.....	.....	Saturday	18	.....	.....
Saturday	4	.....	6 p. m.	Sunday	19	.....	.....
Sunday	5	.....	.....	Monday	20	5 p. m. ....	.....
Monday	6	2 p. m. ....	.....	Tuesday	21	.....	2 p. m.
Tuesday	7	.....	.....	Wednesday	22	.....	.....
Wednesday	8	.....	.....	Thursday	23	.....	6 p. m.
Thursday	9	.....	6 p. m.	Friday	24	.....	6 p. m.
Friday	10	7 p. m. ....	.....	Saturday	25	.....	.....
Saturday	11	.....	.....	Sunday	26	.....	.....
Sunday	12	.....	.....	Monday	27	.....	.....
Monday	13	.....	10 a. m.	Tuesday	28	7 p. m. ....	.....
Tuesday	14	.....	.....	Wednesday	29	.....	.....
Wednesday	15	.....	.....				

Certified to be correct by

A. M. DENKGRAVE, *Postmaster.*

G 6.

Trips per week, 2.

[Fill all the blanks of this heading.]

Register of arrivals and departures for the month of March, 1871.

Post-office at Monroe, county of Ouachita, State of Louisiana, route No. 8105, from Monroe to New Orleans.—Contract time of arrival, twice a week; contract time of departure, twice a week.—Name of contractor, A. N. Smythe; name of carrier, steamboats.

Days of the week.	Of month.	Hour of arrival.	Hour of departure.	Days of the week.	Of month.	Hour of arrival.	Hour of departure.
Wednesday	1	.....	.....	Friday	17	10 p. m. ....	.....
Thursday	2	.....	.....	Saturday	18	.....	.....
Friday	3	6 .....	.....	Sunday	19	.....	.....
Saturday	4	.....	p. m.	Monday	20	5 p. m. ....	.....
Sunday	5	.....	.....	Tuesday	21	.....	10 a. m.
Monday	6	.....	.....	Wednesday	22	.....	.....
Tuesday	7	.....	.....	Thursday	23	.....	.....
Wednesday	8	.....	.....	Friday	24	.....	10 a. m.
Thursday	9	.....	.....	Saturday	25	.....	.....
Friday	10	.....	.....	Sunday	26	.....	.....
Saturday	11	.....	.....	Monday	27	.....	.....
Sunday	12	.....	.....	Tuesday	28	.....	.....
Monday	13	12 p. m. ....	.....	Wednesday	29	.....	.....
Tuesday	14	.....	10 a. m.	Thursday	30	12 p. m. ....	.....
Wednesday	15	.....	.....	Friday	31	.....	.....
Thursday	16	.....	.....				

Report specially dates and causes of failures on next page.

Certified to be corrected by

N. M. DINKGRAVE, *Postmaster.*

No. 5.

POST-OFFICE DEPARTMENT,
OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL,
INSPECTION DIVISION,
Washington, May 15, 1871.

SIR: A deduction of \$1,346 has been made from your pay as contractor on route No. 8105, for failure to deliver the mail at New Orleans, January 6, 9, 20, 30, and at Monroe, January 7, 11, 14, and 26; February 13 and 24, March 6, 10, 24 and 27, 1871.

This has been done in accordance with the stipulation in your contract that "in all cases there is to be a forfeiture of the pay of a trip when the trip is not run; and of not more than three times the pay of the trip when the trip is not run and no sufficient excuse for the failure is furnished." No pay, therefore, can be allowed for a trip not performed, no matter what obstacle may have prevented its performance, the price of the trip must be deducted; and if a satisfactory excuse is not received, more than the price (not exceeding three times) may be deducted. Contractors will see the importance, therefore, in cases of failure, of forwarding, immediately, to this office any excuse they may have to offer. Such excuse must state, specifically, the cause of the failure, and whether any, and, if any, what effort was made to perform the trip; and if part of it was performed, what part must be stated, and the distance given. All the facts stated must be verified by the oath of the party having a personal knowledge of them, or by the certificate of a postmaster.

Respectfully,

GILES A. SMITH,
Second Assistant Postmaster-General.

ANDREW N. SMYTHE, Esq.,
Contractor, New Orleans, La.

H.

UNITED STATES OF AMERICA,
State of Louisiana, Parish of Orleans, City of New Orleans:

Be it known that on this day before me, the undersigned, a notary public in and for the parish of Orleans aforesaid, duly commissioned and qualified, personally came and

appeared George P. Work, of the city of New Orleans, State of Louisiana, to me well known as such, who, being by me first duly sworn, deposeth and says that he is the master of the steamboat Tahlequah, of New Orleans, carrying the United States mail on route No. 8105, from New Orleans to Monroe, La.; that the cause of the failure to deliver the mail at New Orleans on August 5, 1870, and 29, 1870, was occasioned by inclement and foggy weather, which prevented punctual delivery of the mails. The said mails were delivered, respectively, August 8 and September 1, 1870. That the cause of the failures to deliver United States mails at Monroe, La., on July 16, 20, 23, 27, and 30; August 3, 6, 10, 13, 17, 20, 24, 27, and 31, and September 4, 8, and 22, 1870, was that no mails were delivered to the boat for the said above dates.

GEORGE P. WORK.

Sworn to and subscribed before me this 28th day of December, A. D. 1870.

[SEAL.]

E. B. EARHART,
Notary Public.

K.

STATE OF LOUISIANA, *City of New Orleans*:

Be it known that on this seventeenth day of June, A. D. one thousand eight hundred and seventy-one, before me, Andrew Hero, jr., a notary public in and for the parish of Orleans, State of Louisiana, duly commissioned and qualified, personally appeared Ed. L. Israel, of said city of New Orleans, who, being duly sworn, deposed and said that he was master of the steamer Seminole, of this port, engaged in the Ouachita River trade in the fall of eighteen hundred and seventy, and brought to New Orleans from said Ouachita River the United States mails, which should have been delivered in New Orleans on the first of October, eighteen hundred and seventy, but did not reach New Orleans until, and was only delivered on, the fifth day of October, eighteen hundred and seventy; that the said steamer was regularly engaged in carrying said mails, and that the aforesaid failure to deliver the said mails at New Orleans on the first of October, eighteen hundred and seventy, was solely owing to low water and the difficulties of navigation in consequence thereof, and in no wise attributable to the mail-contractors nor said steamer or her officers and crew, having been occasioned by circumstances, as aforesaid, beyond their control.

E. L. ISRAEL.

Sworn and subscribed before me, the said notary, the day and year above written.
[NOTARIAL SEAL.]

ANDREW HERO, JR.,
Notary Public.

M.

STATE OF LOUISIANA, *City of New Orleans*:

Be it known that on this seventeenth day of June, A. D. one thousand eight hundred and seventy-one, before me, Andrew Hero, jr., a notary public in and for the parish of New Orleans, State of Louisiana, duly commissioned and qualified, personally appeared G. P. Work, of said city of New Orleans, who, being duly sworn, deposed and said that he was master of the steamer Tahlequah, of this port, and engaged in the Ouachita River trade and carrying the United States mails to and from New Orleans during the month of November of the year eighteen hundred and seventy; that his said steamer failed to deliver the said mail at New Orleans on the eighteenth day of November, eighteen hundred and seventy, according to schedule, and the same was only delivered on the ensuing day, the nineteenth of November, eighteen hundred and seventy, when the said boat arrived at New Orleans; that on said trip the said steamer, by fog and bad weather, which occasioned such default, and the same is and was in no wise attributable to the faults of the mail-contractors nor of said steamer or her officers and crew.

G. P. WORK.

Sworn and subscribed before me, the said notary, the day and year above written.
[NOTARIAL SEAL.]

ANDREW HERO, JR.,
Notary Public.

L.

STATE OF LOUISIANA, *City of New Orleans*:

Be it known that on this twentieth day of June, A. D. one thousand eight hundred and seventy-one, before me, Andrew Hero, jr., a notary public in and for the parish of

Orleans, State of Louisiana, duly commissioned and qualified, personally appeared Richard Sinnatt, of said city of New Orleans, who, being duly sworn, deposed and said that he was master of the schooner Trenton, of this port, and engaged in the Ouachita River, carrying the United States mails to and from New Orleans during the month of November of the year eighteen hundred and seventy, and that his said steamer failed to deliver the said mail at New Orleans on the twenty-first day of November, eighteen hundred and seventy, according to schedule, and only delivered the same on the ensuing day, the twenty-second day of November, 1870, when said steamer arrived at New Orleans; that such failure was occasioned by the said steamer grounding in the Ouachita River and meeting with heavy winds on the Mississippi River, and that such default was in no wise attributable to the faults of the mail-contractors nor of the said steamer or her officers and crew.

RICHARD SINNATT.

Sworn and subscribed before me, the said notary, the day and year above written.
[NOTARIAL SEAL.]

ANDREW HERO, JR.,
Notary Public.

N.

STATE OF LOUISIANA, *City of New Orleans:*

Be it known that on this twenty-fifth day of July, eighteen hundred and seventy-one, before me, Octave Morel, a notary public, duly commissioned and sworn, in and for this city and parish of Orleans, personally appeared Messrs. Richard Sinnatt and G. P. Work, of this city, who, being duly sworn, declared that they were conductors and managers of the transportation of the mails of route 8105, on the Ouachita River, for the year ending thirtieth June last past; that at all times the boats carrying said mails were regular and careful in discharging, in accordance with the contract of said route, the duties as mail-carriers, and did carry at all times on said boats what was known as a "way-mail bag," for the purpose of accommodating any mails received at intermediate post-offices; that the boats regularly reported at each post-office for delivery or receiving any mails, and did regularly deliver same when received by them at the respective post-offices for which they were intended, and were ready and prepared at all times to carry the mails on route 8105 to and from New Orleans and Monroe inclusive.

RICHARD SINNATT.
G. P. WORK.

Sworn and subscribed before me this July 25, 1871.
[NOTARIAL SEAL.]

OCTAVE MOREL.
Notary Public.

S.

POST-OFFICE, CORNER CANAL AND OLD LEVEE STREETS,
New Orleans, April 21, 1871.

DEAR SIR: I have the honor to state, for the information of the Department, that no mails have been sent from this office to Monroe, La., via Ouachita River, (route No. 8105,) since the 2d of July last. Mails to that point are being sent via New Orleans and Jackson, Vicksburgh and Meridian, and Louisiana and Texas Railroads.

Very respectfully,

C. W. LOWELL,
Postmaster.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General.

T.

NEW ORLEANS, *April 26, 1871.*

DEAR SIR: Inclosed I have the honor to refer you to a letter from the postmaster of this city, explaining the cause why the mail was not delivered at Monroe, La. The boats transporting the mail regularly land at Monroe, and always carry a bag that letters may be placed in it for that point. The two failures to deliver at New Orleans were occasioned by the boat breaking her machinery.

Very respectfully, your obedient servant,

A. W. SMYTH,
Contractor, Route 8105.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General.

D.

NEW ORLEANS, *June 7, 1871.*

MY DEAR GENERAL: May I trespass upon your time to set right an important matter for one of our friends?

The Post-Office Department has made very serious deductions from the pay of Dr. A. W. Smyth, who is contractor on route 8105, Ouachita River mail. These deductions are made under the erroneous impression that he does not make through-trips to Monroe, as required by his contract. The accompanying affidavits show that every trip has been performed.

For the quarter ending with September, 1870, some \$1,700 deduction was made from the contract-price. I explained the case to General Giles A. Smith while in Washington last February, and he kindly had the "penalty" remitted. For the quarter ending December 31, 1870, some \$2,400 deduction is made, and \$1,500 for the subsequent quarter. This is all wrong. The simple explanation is that the contractor's receipts contain no evidence of delivery of mails at Monroe, because none are given him for that point. Postmaster Lowell explains, in his letters to the Postmaster-General, that he forwards the major portion of mail-matter for Monroe by a different route.

Dr. Smyth has made arrangements for carrying these mails until July next, and at such rates that these deductions, if sustained, must prove ruinous. Will you not, therefore, have the remission made, if possible, for the quarters ending December 31, 1870, and March 31, 1871, and try to prevent similar action being taken for the last quarter of the doctor's term? I know the officials of the Post-Office Department simply desire to protect the Government from imposition, and not commit an injustice upon a worthy citizen.

Very truly, your friend,

J. W. FAIRFAX.

Hon. LIONEL A. SHELDON, M. C.,
Washington, D. C.

The governor is much worse, I hear this morning. Another operation on his foot may be necessary.

I.

STATE OF LOUISIANA, *City of New Orleans:*

Be it known that, on this sixth day of June, A. D. one thousand eight hundred and seventy-one, before me, Andrew Hero, jr., a notary public in and for the parish of Orleans, State of Louisiana, duly commissioned and qualified, personally appeared Andrew W. Smyth, of said city of New Orleans, who, being duly sworn, deposed that the deductions from his pay as mail-contractor on route No. 8105, for the quarter ending December 31, 1870, are made in error, and are unjust; that the fault alleged of failure to arrive at Monroe, La., twenty-three times, is wholly incorrect; that each and every trip to that point was made in accordance with the terms of his contract; that failure to deliver mails at Monroe was owing solely to the fact that no such mails were given him for delivery, although proper application therefor was made, as will more fully appear by the letters (now on file in the United States Post-Office Department) of the postmaster at New Orleans; that he supposed no further explanation of this apparent delinquency was necessary; and he now prays that remission of the penalties imposed may be made.

A. W. SMYTH.

Sworn and subscribed before me, the said notary, the day and year above written.
[Notarial seal.]

ANDREW HERO, JR.,
Notary Public.

J.

STATE OF LOUISIANA, *City of New Orleans:*

Be it known that, on this sixth day of June, A. D. one thousand eight hundred and seventy-one, before me, Andrew Hero, jr., a notary public in and for the parish of Orleans, State of Louisiana, duly commissioned and qualified, personally appeared John C. Sinnott, of said city of New Orleans, who, being duly sworn, deposed that he is agent for a line of steamboats plying between New Orleans and Monroe, in the State of Louisiana; that the said line has a contract with Andrew W. Smyth to receive, carry, and deliver the mails on route 8105; that during the months of October, November, and December, of the year eighteen hundred and seventy, they made semi-

weekly trips, as required by the terms of said Smyth's contract, and that the failure to deliver mails at Monroe, La., was solely because of the failure of the postmaster at New Orleans to furnish them on application, he declaring that he had other means of forwarding them.

JOHN C. SINNOTT.

Sworn and subscribed before me, the said notary, the day and year above written.
[Notarial seal.]

ANDREW HERO, JR.,
Notary Public.

R.

NEW ORLEANS, LA., July 25, 1871.

DEAR SIR: I have the honor to report to you matters pertaining to the carrying and delivering the Ouachita mails, under contract to me, (No. 8105,) on which there is a fine imposed on me as contractor for the quarter ending the 31st of December, 1870, amounting to \$2,499.90, and for the quarter ending 31st March, 1871, amounting to \$1,346.

Hoping the explanations made by the affidavits, receipts, and by R. W. Adams, who is intrusted with the documents, will be satisfactory, I am, very respectfully, your obedient servant,

A. W. SMYTH.

Hon. GILES A. SMITH,
Second Assistant Postmaster-General.

O.

STATE OF LOUISIANA, *City of New Orleans* :

Be it known that, on this eleventh day of August, A. D. one thousand eight hundred and seventy-one, before me, Andrew Hero, jr., a notary public in and for the parish of Orleans, State of Louisiana, duly commissioned and qualified, personally appeared Edward L. Israel, Richard Sinnott, and George P. Work, of this city, who, being duly sworn, deposed and said that said Sinnott was master of the steamer Trenton and Governor Allen, and that said Work was master of the steamer Tablequah and clerk of the steamer Ouachita Belle, which boats carried the United States mail for Ouachita River during the year ending June 30, 1871, together with the steamer Seminole, which was commanded by said Israel; that the prescribed number of trips, viz, two per week, were always made during said year, and regularly reported to the terminal offices as well as to the intermediate offices.

G. P. WORK.
R. SINNOTT.
E. L. ISRAEL.

Sworn and subscribed before me, the said notary, the day and year above written.
[Notarial seal.]

ANDREW HERO, JR.,
Notary Public.

1.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 1st day of September, 1870.

[Route from New Orleans to Monroe.]

Received of (insert name and designate office, whether postmaster, assistant, agent, mail-messengers, &c.,) the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	J. Shlenker.
.....	1	.....	Harrisonburgh	Wolf.
.....	1	.....	Copenhagen	W. Day.
.....	1	.....	Columbia	W. H. Roberts.
.....	1	.....	Log Town	D. A. Faulk.

E. L. IMCEL.

The person signing this receipt will designate his office, whether postmaster, assistant postmaster, clerk, route or local agent, baggage-agent, conductor, mail-messenger, driver, &c., &c.

(Receipts not to be returned to Post-Office Department, but filed for reference.)

Receipts to be prepared by the route-agents for the signatures of postmasters or assistants at the ends of the route, and mail-messengers or local agents at intermediate offices receiving through-pouches. Also to be similarly used to show the transfer of mails from one route-agent to another, when no other forms are provided for that purpose. In such case, the proper route-agent will sign the receipt.

At intermediate offices, where there is not time to get receipts signed, they must be left with mails, and returned with the proper signatures to the route-agent on his return-trip.

It is not required that a route-agent should take a receipt for a pouch made up by himself, or give a receipt for a pouch labeled to himself. But he is to receipt for all other mail-bags delivered to him, and demand receipts when they pass from his charge.

Postmasters receiving and sending mails by messengers will use this form of receipt when no other is provided. Local mail-agents will do likewise.

Postmasters and other agents of the Post-Office Department will also, if possible, obtain receipts for mails delivered to persons not employed directly by the Department, but by railroad companies or other contractors, and see that such persons in return get receipts on delivering mails.

[NOTE BY PRINTER.—The printed instructions on these forms have not been printed in Nos. 2 to 58, as they are the same as in this.]

2.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 3d day of September, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	1	.....	Harrisonburgh	Wolf.
.....	1	.....	Copenhagen	W. P. Day.
.....	1	1	Columbia	W. F. Roberts.
.....	1	.....	Log Town	J. A. Cheatham, P. M.

3.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 7th day of September, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Seminole.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	1	.....	Harrisonburgh	Wolf.
.....	1	.....	Copenhagen	W. P. Day.
(*)	1	.....	Columbia	W. D. Crozier.
.....	1	.....	Log Town	W. H. Harmer.
.....	1	.....	Moreauville	
(†)	1	.....	Monroe	

* 1 bag from Harrisonburgh.

† From Columbia.

A. J. WEKENER.

4.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 10th day of September, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	J. Shlenker, per Laburne.
.....	1	.....	Harrisonburgh	Wolf.
.....	1	.....	Copenhagen	W. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Monroe	Sept. 14, '70, W. H. Duckgrout.

5.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 14th day of September, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Shlenker.
.....	1	.....	Harrisonburgh	Wolf.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Copenhagen	W. P. Day.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Moreauville	W. P. Day.
.....	3	.....	Monroe	W. H. Dukrowe, Asst. P. M.

6.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 17th day of September, 1870.

[Route from New Orleans to Monroe,]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	1	.....	Harrisonburgh	Wolf.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Monroe	W. H. Duckrowe, Ass. P. M.

7.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 21st day of September, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Seminole.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Shlenker, per Laburne.
.....	1	.....	Harrisonburgh	Wolf.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Moreauville	J. H. D. Duckrowe.

8.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 1st day of October, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Tahlequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. S. Shlenker, per Laburne.
.....	2	.....	Harrisonburgh	S. E. Loudon.
.....	1	.....	Copenhagen	M. P. Day.
.....	2	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	Sealed 1	.....	Cuba	W. G. Kennedy.
.....	4	.....	Monroe	Duckrowe, Asst. P. M.

9.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 5th day of October, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Seminole.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	11	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	Sealed 1	.....	Cuba	W. G. Kennelly.
.....	1	.....	Moreauville	Kingsberry.
.....	1	.....	Monroe	Dinkgrave.

10.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 8th day of October, 1870

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Tahlequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, P. M.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	L. F. Faulk.
.....	1	.....	Cuba	W. G. Kennelly.

11.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 12th day of October, 1870.

[Route from New Orleans to Monroe.]

Received of Seminole the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, P. M.
.....	11	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennelly.
.....	1	.....	Moreauville	P. H. Dugrove.
.....	11	.....	Monroe	

12.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 15th day of October, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Tahlequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Shlenker, per Labarre.
.....	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Cuba	W. G. Kennelly.
.....	1	.....	Log Town	J. B. Falhock.

13.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 19th day of October, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, P. M.
.....	1	.....	Harrisonburgh	S. G. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Tog Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennelly.

14.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 22d day of October, 1870.

[Route from New Orleans to Monroe, La.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Tahlequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, P. M.
.....	1	.....	Harrisonburgh.....	S. G. Dowden.
.....	1	.....	Copenhagen.....	M. P. Day.
.....	1	.....	Columbia	
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennelly.

Received this day, per steamer Tahlequah, the regular United States mail for this office.

(Signed)

COLUMBIA, LA., October 24, 1870.

W. F. ROBERTS,
Postmaster, Columbia, La.

15.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 26th day of October, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Seminole.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	1	.....	Harrisonburgh.....	S. E. Dowden.
.....	1	.....	Copenhagen.....	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennelly.
.....	1	.....	Moreauville.....	P. H. Dingham.

16.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 29th day of October, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Tahlequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M., per La-barre.
.....	1	.....	Harrisonburgh.....	S. G. Dowden, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennelly.

17.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 2d day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Seminole.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	Sealed 1	.....	Cuba	W. G. Kennelly.
.....	1	.....	Moreauville	Harkway.

18.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 5th day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Tahlequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	1	.....	Harrisonburgh	S. G. Dowden, P. M.
.....	1	.....	Copenhagen	M. P. Day, per son.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	I. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

GUSS.

19.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 9th day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, per Labarre.
.....	1	.....	Harrisonburgh	S. G. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	I. A. Cheatham.
.....	Sealed 1	.....	Cuba	W. G. Kennedy.

20.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 12th day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Tablequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, per Labarre.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Copenhagen	W. P. Day.
.....	1	.....	Log Town	L. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

21

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 16th day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, Labarre.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	L. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.
.....	1	.....	Moreauville	S. Carkmar.

22

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 19th day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Tablequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	L. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

23

POST-OFFICE (DEPOT OR LANDING) at NEW ORLEANS, 23d day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :
Trenton.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	I. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.
.....	1	.....	Moreauville	J. Carkmer.

24

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 26th day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :
Steamer Tablequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinty	I. Shlenker.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day, (Son.)
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

25

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 30th day of November, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, Labarre.
.....	1	.....	Harrisonburgh	S. G. Dowden.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.
.....	1	.....	Moreauville	J. Caucke.

26.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 3d day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Tablequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker.
.....	1	.....	Harrisonburgh	S. G. Dowden.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

27.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 7th day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Trenton.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker.
.....	1	.....	Harrisonburgh	S. G. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, postmaster.
.....	1	.....	Log Town	R. M. Follam.
.....	1	.....	Cuba	H. G. Kennedy.
.....	1	.....	Moreauville	Kingsbury.

28.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 10th day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Tahlequah.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, p. Mc. C.
.....	1	.....	Harrisonburgh	S. G. Dowden.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

29.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 14th day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Garry.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker.
.....	1	.....	Harrisonburgh	S. G. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	Dr. Smyth.
.....	1	.....	Cuba	W. G. Kennedy.
.....	1	.....	Moreauville	Kingsbury.

30.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 17th day of December, 1870.

[Route from New Orleans to Monroe.]

Received from ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, per Labarre.
.....	1	.....	Harrisonburgh	Warmberg.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	Dowden.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

31.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 21st day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ———, the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, postmaster.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.
.....	1	.....	Moreauville	D. O. Harkeys.

32.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 24th day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Mayflower.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, per Stier.
.....	1	.....	Harrisonburgh	John Disch.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, postmaster.
.....	1	.....	Log Town	G. Faulk.
.....	1	.....	Cuba	W. G. Kennedy.

33.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 28th day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Geo. Allen.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

34.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 31st day of December, 1870.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Shlenker, Postmaster.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Monroe, from Columbia	J. H. Durkgay.

35.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 4th day of January, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Mayflower.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) W. W. Walter.
.....	1	.....	Harrisonburgh	(Signed) Landaner.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Log Town	(Signed) F. Faulk.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.
Return	1	.....	Moreauville	(Signed) F. Schroeder.

36.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 7th day of January, 1871.

[Route from New Orleans to Monroe.]

Received of Steamer Tablequah (in place of Gov. Allen) the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

37.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 12th day of January, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer O. B.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) I. Shlenker.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

38.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 14th day of January, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Ouachita Belle.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Columbia	(Signed) W. F. Roberts.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

39.

POST OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 18th day of January, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer O. B.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) I. Shlenker, P. M.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

40.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 21st day of January, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) I. Shlenker, Labarre.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	*1	.....	Copenhagen	(Signed) L. W. Day.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

*At Heison.

41.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 25th day of January, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) I. Shlenker, P. M.
1	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Log Town	(Signed) Botise Tullevil.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

42.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 23th day of January, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Gov. Allen.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden.
.....	1	.....	Columbia	(Signed) W. F. Roberts.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

43.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 4th day of February, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) S. P. Day.
.....	1	.....	Copenhagen	(Signed) W. F. Roberts, P. M.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kinney.

44.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 8th day of February, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) S. Shlenker, per Lhind.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) M. F. Roberts, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

45.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 11th day of February, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

May Flower.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) R. B. Walters.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Copenhagen	(Signed) W. H. Squiers.
.....	1	.....	Columbia	(Signed) W. F. Roberts.
.....	1	.....	Log Town	L. F. Tanck.
.....	1	.....	Cuba	W. G. Kennedy.

46.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 15th day of February, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz, O. B.:

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker, P. M.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day, P. M.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

47.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 18th day of February, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker, P. M.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

48.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 22^d day of February, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer May Flower.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker, P. M.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.

49.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 25th day of February, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undersigned mail-bags, viz :

Steamer O. Belle.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	(Signed) Isaac Shlenker.
.....	1	.....	Harrisonburgh	(Signed) S. E. Dowden, P. M.
.....	1	.....	Copenhagen	(Signed) M. P. Day.
.....	1	.....	Columbia	(Signed) W. F. Roberts, P. M.
.....	1	.....	Log Town	(Signed) J. A. Cheatham.
.....	1	.....	Cuba	(Signed) W. G. Kennedy.
(*)				

(*) 1 canvas, No. 12,219. Postmaster, Harrisonburgh, La.

50.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 1st day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz :

Steamer Governor Allen.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M.
.....	1	.....	Norrisburgh	S. E. Dowden, P. M.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

51.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 4th day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Schooner May Flower.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M.
.....	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

52.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 8th day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	I. Schlenker.
.....	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Copenhagen	M. F. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

53.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 11th day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Governor Allen.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M.
1	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Copenhagen	M. G. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Cheatham.
.....	1	.....	Cuba	W. G. Kennedy.

54.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 15th day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Mayflower.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M.
.....	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Chatham.
.....	1	.....	Cuba	W. G. Kennedy.

55.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 18th day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer O. Belle.

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M.
1	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Chatham.
.....	1	.....	Cuba	W. G. Kennedy.

56.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 22d day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

Steamer Bart Able:

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M.
.....	2	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Log Town	J. A. Chatham.
.....	1	.....	Cuba	W. G. Kennedy.

57.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 25th day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	R. B. Walter.
.....	1	.....	Harrisonburgh	S. E. Dowden.
.....	1	.....	Columbia	W. F. Roberts.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	
.....	1	.....	Cuba	W. J. Kennedy.

58.

POST-OFFICE (DEPOT OR LANDING) AT NEW ORLEANS, 29th day of March, 1871.

[Route from New Orleans to Monroe.]

Received of ——— the undermentioned mail-bags, viz:

No. of canvas bags.	No. of lock mail-bags.		Labeled—	
	Iron lock.	Brass lock.		
.....	1	.....	Trinity	Isaac Shlenker, P. M.
.....	1	.....	Harrisonburgh	S. E. Dowden, P. M.
.....	1	.....	Columbia	W. F. Roberts, P. M.
.....	1	.....	Copenhagen	M. P. Day.
.....	1	.....	Log Town	J. A. Chatham.
.....	1	.....	Cuba	W. G. Kennedy.

ADDITIONAL TESTIMONY.

WASHINGTON, D. C., July 10, 1876.

CHARLES MOORE sworn and examined.

By Mr. LUTTRELL:

Question. What is your residence?—Answer. Walla Walla, Washington Territory.

Q. How long have you resided there or in that vicinity?—A. I was postmaster at Walla Walla from 1869 to 1873.

Q. Do you know anything of the service on the Walla Walla route and the Missoula and Walla Walla route?—A. I do.

Q. State when the service was placed on, as well as you can remember, and what the service was, and all the facts relating to the case.—A. I cannot state the time it was placed on, but the service was there when I was appointed postmaster. My attention had, however, been called to the fact that the service was, in a great degree, an unnecessary one before that, so that the first letter I ever wrote to the Department was concerning that route. That was written in June, 1869. I obtained from the files of the Department the other day a synopsis of that letter.

Q. Did you make any statement to the Department in June, 1869, relative to the service on the Walla Walla and Missoula route?—A. I did.

Q. What was that statement?—A statement that the mail-matter passing over the route was not sufficient to justify a tri-weekly service.

Q. You recommended a reduction of the service?—A. I recommended a reduction of the service.

Q. To a weekly or semi-weekly?—A. A weekly; that is my recollection of it; I have not a copy myself of that letter.

Q. Did you keep an account of the mail-matter passing over that route while you were postmaster at Walla Walla?—A. I did for one quarter, but it was no part of my duty to keep it.

Q. Walla Walla was the head of the route?—A. Yes, sir.

Q. Do you recollect the number of letters and papers that passed over the route that quarter—through letters?—A. My recollection is that it was two letters and two newspapers that passed through Walla Walla over the entire route, over that part from Spokane Bridge to Missoula. There may have been some others beyond that; I would not know anything about them. That was the only mail-matter that passed my office going anywhere beyond Spokane Bridge to Missoula.

Q. Did you notify the Department of these facts?—A. I did not notify them of the exact figures. I notified them in December, 1872, that there was an exceedingly small amount. I was fearful to put those figures down, because there might have been other quarters when there was more. I notified them that there was an exceedingly small amount going over that portion of the route and recommended the discontinuance of that portion of the service which went from Spokane Bridge to Missoula, about two-thirds of the route.

Q. Did you receive any reply?—A. I did not; not from the Department.

Q. Did you from time to time, while you were holding your position as postmaster, notify the Department of the small amount of mail-matter passing over this route?—A. No, sir; not so much to the Department; I spoke to special agents of the Department.

Q. In addition to the letters you had written?—A. Yes, sir.

Q. Did they take any action?—A. Not that I am aware of.

Q. Do you know what amount the contractors were receiving in 1869 for carrying this mail at the time these two letters and two newspapers passed over the route during that quarter?—A. I have no official information in regard to the amount, but it was about \$60,000 a year.

Q. Who was the contractor?—A. C. C. Huntley.

Q. During the time you were making these reports and urging the reduction of the service of that route and the abandonment of it from Spokane Bridge to Missoula, did any one make any intimations or threats to you that you would be removed for performing your duty in this respect? And, if so, state by whom.

Mr. CANNON objected to the question, unless the threat, if any were made, were brought home to some officer of the Government.

(Objection overruled by the chairman.)

The WITNESS. There was nothing that would bring it home directly to any officer of the Government.

Q. Did any contractor make any suggestion to you in that respect? My question includes a contractor or any person whatever.—A. The first intimation I had of that was through a letter from my brother here, who had had a conversation with Huntley's attorney, in which the attorney told me—

Q. Did Mr. Huntley ever say anything to you of that kind?—A. I made certain statements in December, 1872. During that same month or the forepart of January, 1873, Mr. Huntley spoke to me about my having made statements to the Department in regard to his routes, and was very boisterous and profane and threatening in his manner, and also said that he would show me that he had power with the Department to raise that to a daily service, instead of its being reduced, as I asked.

Q. Was it increased to a daily?—A. It was not. In that same conversation he boasted of his power with the Department, and at that visit to Walla Walla offered the post-office to two other men.

Q. Were you removed soon after that?—A. I was. I have not the date exactly, but it is Mr. Creswell's testimony, or at least the date of Gorman's appointment. He was the agent of Mr. Huntley's express company. He had not been there one year at the time he was appointed, and was continuously his agent, and has been to this time.

Q. Have you seen or read Mr. Creswell's evidence concerning the cause of your removal?—A. I have. I do not know that I have read it all. I read in the newspapers an account which said I was removed because I had tampered with mail-matter. I did not find any direct statement that said absolutely the same thing, but it was a very strong intimation of the same thing.

Q. Have you any means of showing just what the charges against you were which caused your removal?—A. I have.

Q. Please state that.—A. It is in the form of a letter written by the First Assistant Postmaster-General to S. Garfield, Delegate from the Territory. He showed me the letter and informed me what the charge against me was. The letter is as follows:

POST-OFFICE DEPARTMENT, APPOINTMENT OFFICE,
Washington, D. C., December 26, 1872.

SIR: Numerous complaints are made against the postmaster at Walla Walla, Washington Territory, of great carelessness in distributing and forwarding the mails from that office. This information comes from James McDowell, a special agent of this Department, who has just returned from a tour through the northern Territories. Should there be a change of postmaster?

Very respectfully, &c.

JAMES H. MARR,
Acting First Assistant Postmaster-General.

These were the only charges before the Department when the change was made.

JAMES H. MARR.

FEBRUARY 25, 1873.

HON. S. GARFIELDE, M. C.,
House of Representatives.

Q. Was this soon after the threat of Huntley against you?—A. It was. I made the statements in the early part of December. This letter was written the 26th December. On the 3d February I received notice through the papers of my removal, and between those times—that is, between the time I made the statements to the Department and the time I heard of the removal—Huntley was at Walla Walla.

Q. You were removed soon after that?—A. Yes, sir.

By the CHAIRMAN:

Q. Can you fix the exact date when Huntley was there?—A. No, sir; it was between the forepart of December and my removal, which was in January some time.

By Mr. LUTTRELL:

Q. Then this charge that you had been careless in the distribution of the mails was a pretext, was it not, to have you removed?—A. I said so to the Postmaster-General and so did five hundred of our people.

Q. Was there any petition sent on?—A. There was for my re-instatement. It was signed by five hundred and sixty-two, if I remember correctly—over five hundred anyway—of our citizens, in which it was set forth that I had been removed on a pretext, but that the real reason was on account of the information that I had furnished against these mail-contracts. I wished at the Department to get a copy of the petition, and they showed me an order to the effect that they were not allowed to do it, which was about as applicable as the tenth commandment.

Q. Do you know the date of that petition?—A. It was circulated from the 3d February till about the 10th.

Q. It was dated about February 1, then?—A. Yes, sir; the forepart of February. An affidavit was sent on that the names of boys were on that petition. I erased the names of the boys that had been put on.

Q. Mr. Creswell does not admit that you furnished to the Department information against fraudulent contracts; did you furnish such information to the Department?—A. I did, as I find in this letter already read. I furnished it in 1869, and also again in December, 1872.

Q. State as nearly as you can what that information was.—A. It was principally concerning the very small amount of matter passing over the upper two-thirds of that route, and also that a part of the route was traversed by another route which was a daily.

Q. How much of the route was traversed by another route which was a daily?—A. It was eighteen or twenty miles; the route from Walla Walla to Lewiston, or perhaps from Walla Walla to Pierce City; but it was only a daily to Lewiston passed over the same route that this Missoula route passed over.

Q. Did you furnish this information to the mail agents or inspectors there?—A. I furnished it to James McDowell, special agent, who gave this information against me spoken of in that letter to Garfielde, and he told me that he had filed it. I saw him here.

Q. McDowell did?—A. Yes, sir. On the 25th February Mr. Garfielde wrote a letter to the Department.

Q. Mr. Garfielde entered a protest against the reduction?—A. He did.

Q. Was that subsequent to the time that you furnished this information to McDowell and the Department?—A. It was on the 25th February, 1872.

Q. Did the Department, so far as you know, ever take any action in relation to the evidence you furnished them relating to the service on this route, or did they ever pay any attention to your statements and reports?—A. No, sir, they did not; the service has been reduced within a year, but that is two years and more after my report, so that I might say they did not pay any attention to it.

Q. Did you ever have any conversation with Mr. Creswell in relation to the service on this route?—A. I did.

Q. About what time was that?—A. About the 1st of March, 1873.

Q. Did that conversation take place in his office?—A. It did.

Q. What did you state to him then in relation to this route, and what was his reply?—A. When I presented my petition, which set forth that I had been removed on a pretext, he said, "What does that mean; a pretext?" Then I told him what I have stated before the committee as to my representations to the Department, and that that was the reason, as we considered, that the removal was made. I set forth to him what I had stated to the Department.

Q. Relative to the reduction of this service?—A. Yes, sir.

Q. What did Mr. Creswell say; did he assign any reason for not reducing it?—A. He said he had not seen those reports. I went then to the Second Assistant. He gave me no satisfaction at all.

Q. Who was the Second Assistant?—A. John L. Routt, in charge of the contract division. He was reading a newspaper. I spoke to him of my business. He immediately got to be very busy, and said he had not time to attend to that at all, and could not attend to it. I became a little indignant, and told him I did not think he wanted to pay any attention to it. He did not get in any better humor after that, and would not have anything to do with the matter. I wanted to show him the route, and how it was on the map, but he would not look at it.

Q. What did you do then?—A. I went to the contract clerk; he was about in the same humor as Mr. Routt.

Q. Who was the contract clerk?—A. His name was Brown. He said it made no difference, and that there would not be any change made until the next letting anyhow.

Q. Subsequent to this did you ever put in any bids for contracts on routes there; I mean after you were removed from the post-office?—A. Yes, sir; I would like to speak first of some charges that Mr. Creswell put in his testimony, as if they were what removed me: he introduced in his testimony a brief of charges against the postmaster at Walla Walla, Washington Territory, as follows:

"Brief of charges against the Postmaster at Walla Walla, Washington Territory.

"1. Affidavits of E. H. Massam and four others, charging postmaster at Walla Walla with refusing to register letter, to pay money-orders, to deliver mail-matter, &c.

"2. Affidavit of H. Parker, charging postmaster with many specified acts of misconduct.

"3. Affidavit of Henry Howard, charging postmaster with refusing to change money tendered him in payment for registered letters.

"4. Affidavit of W. B. Kelly, charging that the postmaster refused to pay two money-orders drawn on him by the Oregon City postmaster.

"5. Affidavit of E. H. Massam, that postmaster refused to register a letter when postage and fees were tendered him.

"6. Affidavit of M. Hartman, that postmaster refused to deliver mail-matter, serving his customers with merchandise instead.

"7. Letter of postmaster at Boise City. Copy appended.

"8. Letter of Hon. S. Garfield. Copy appended."

This was a matter that occurred three years before my removal, and four of these men over their own signature said that the affidavits on file in the Department had been obtained through misrepresentations or chicanery on the part of a man named Parker, and in those affidavits they swore that they had been misled in regard to these charges.

By Mr. AINSWORTH:

Q. What was done with the affidavits they made?—A. They were filed in the Department, and the thing was all settled three years before my removal; but now Mr. Creswell brings them up as if they were part of the matter on which I was removed.

Q. Mr. Creswell makes no reference to these counter-affidavits in his evidence at all?—A. No, sir; he makes no reference to them at all; the counter-affidavits were made by Mr. Henry Howard, W. B. Kelly, E. H. Massam, and Mr. M. Hartman.

By the CHAIRMAN:

Q. Those four persons are the gentlemen who made the counter-affidavits?—A. Yes, sir.

Q. Did you at any time subsequent to your removal as postmaster put in any bids for contracts?—A. I did, on this same Missoula route.

Q. What took place subsequent to that and when you filed your bid?—A. The contract was awarded to a man at \$19,000. It may have been a few dollars more. I am giving round numbers. I cannot recall his name. Anyhow he failed in May, 1875. Circulars were sent out; at any rate a circular was sent to me, in which the statement was made that the contractor had failed, and wishing to know whether, if the contract was awarded to me, I would still accept it. It was too late to write a letter, so I telegraphed to Mr. Jewell that I would accept, and I told him also that I had been offered \$1,000 if I would decline to accept.

Q. Offered \$1,000 by whom?—A. James M. Gorman, the agent of the Northwestern Stage Company at Walla Walla.

Q. The agent of Huntley's company?—A. Yes, sir.

Q. Gorman was the man that had been appointed postmaster on your removal?—A. Yes, sir.

Q. What was Mr. Jewell's reply to your telegram?—A. He made no reply whatever. The message came from the telegraph office that the Postmaster-General refused to pay the expense of the dispatch. That was all the reply I got.

Q. You paid for the dispatch?—A. Yes, sir; \$84. When making an offer of \$1,000, they furnished me with a list of the bids, which ranged from \$19,000 up to mine, which was \$28,000 and some odd hundreds, and then the next bid above mine was \$30,600. In the proposition to give me \$1,000 if I would withdraw my bid, Mr. S. S. Huntley told Mr. Gorman to offer to bet me any amount, at \$10 to \$1, that if I did accept it I could not get the contract.

Q. Who did get the contract?—A. I have been informed that it was awarded to the twenty-seven thousand and some odd hundred dollars' bid, the first bid below mine.

Q. At what letting was this?—A. I think it was the letting of 1874.

Q. Had the service been reduced at that time?—A. No, sir, it had not.

Q. Has it been reduced since?—A. It has; that part from Spokane Bridge to Missoula has been cut off.

By the CHAIRMAN:

Q. Entirely?—A. Entirely. The other remains at three times a week.

Q. The part that you recommended to be cut off has been cut off?—A. Yes, sir.

Q. By the present Postmaster-General, Mr. Jewell?—A. Yes, sir.

By Mr. LUTTRELL:

Q. You say that Mr. Creswell failed to reduce or cut off any portion of the route upon your information?—A. Yes, sir.

Q. And that no change was made in the matter until Mr. Jewell took charge of it?—A. None that I am aware of at all.

By Mr. CANNON:

Q. In the lettings of 1874 on this Missoula and Walla Walla route, you were a bidder at twenty-eight thousand and some odd dollars?—A. Yes, sir.

Q. The lowest bid was about \$19,000?—A. Yes, sir.

Q. The contract was awarded to the lowest bidder?—A. Yes, sir.

Q. He entered upon the service and failed?—A. Yes, sir.

Q. Did you get back your check?—A. Yes, sir.

Q. After he failed, Mr. Gorman, representing himself to be the agent of Huntley,

came to you and offered to pay you \$1,000 for your option to take the contract?—A. Yes, sir.

Q. That \$1,000 you refused?—A. Yes, sir.

Q. Then Mr. Gorman said that he was authorized by Huntley, who was a contractor to carry mails, to say to you that he would bet you \$10 to \$1 that if you did not sell to him your option for \$1,000, you would not get the contract anyway?—A. That is it exactly.

Q. And afterward you were notified that this man at \$19,000 had failed?—A. I received this notification before Mr. Gorman made this offer.

Q. As I understand you, the contract was finally let to some bidder at \$27,000.—A. Yes, sir.

Q. A thousand and some hundred dollars less than yours?—A. It was a less bid than mine.

Q. Hence you did not get the contract?—A. No, sir.

Q. That is all you know in reference to that letting?—A. Yes, sir; I believe that is all.

Q. Did you take the bet from Mr. Gorman?—A. No, sir; I do not bet anyhow, and I wouldn't bet on that if I did bet.

Q. Were you out of humor at not getting the contract at \$28,000 when there was a lower bid at \$27,000?—A. No, sir.

Q. Do you know S. Garfielde?—A. Yes, sir.

Q. Do you know G. A. Cass?—A. No, sir.

Q. Mr. Windom, a Senator from Minnesota?—A. I know of him.

Q. Garfielde was a Delegate from that Territory?—A. Yes, sir.

Q. Where was Clagitt, a Delegate, from?—A. Montana.

Q. And George H. Williams was the Senator from Oregon?—A. I do not know whether he was at that time or not; if he was not, he had been.

Q. Massam, Parker, and Hartman filed counter-affidavits, taking back what they had said?—A. Yes, sir; and I say that that matter was all settled three years before my removal.

Q. When was Parker's affidavit filed?—A. At the same time.

Q. Was Kelly's filed at the same time?—A. Yes, sir, at the same time. Mr. Garfielde sent me copies of them at that time.

Q. At the time that you were removed, Garfielde was a Delegate from that Territory?—A. Yes, sir.

Q. Have you noticed on page 594 what purports to be a copy of a letter from Mr. Garfielde, in the evidence of Mr. Creswell, under date of January 6, 1873?—A. Yes, sir.

Q. Recommending your removal as postmaster?—A. Yes, sir.

Q. And stating that he had also heard the same charges?—A. Yes, sir; the same charges.

Q. You came down in person to the Department?—A. Yes, sir.

Q. And had a hearing of this whole case in reference to your removal?—A. Yes, sir.

Q. And presented your petition to be re-instated?—A. Yes, sir; but I did not know what the pretext was on which I was removed until I came here.

Q. He refused to re-instate you?—A. Yes, sir.

Q. Look at page 594 of the evidence and look at a letter dated Walla Walla, November 5, 1873, and purporting to be signed by you.

The letter is as follows:

"WALLA WALLA, W. T., November 5, 1873.

"HONORED SIR: One of those circumstances which rankle and fester in the memory occurred with me in your presence last March. John S. Post, postmaster at Boise City, I. T., made a statement to the Department that I had signed most of the receipts during a period in which certain errors occurred, on account of which I was removed from the post-office here. I had made a statement directly to the contrary, but I being an interested party, and as he ought to have been disinterested, his statement carried conviction to your mind, and you said, 'This registry business looks bad.' Viewed by an outsider I'll admit it did, but I had not the proofs on hand, and the decision went against me. I talked with Post on the evening previous, and told him what he had written to the Department, and he admitted if he had said so it was a mistake, for he admitted it was not true. But when he came before you he sustained the error of his letter. I now have a letter from him on the subject, from which I quote as follows: 'As to the receipts you speak about, I have carelessly looked them over, and find about one in five signed by you unmistakably, and a number signed as if the person designed to imitate your signature, and those are the ones I thought were signed by you.' In addition to the above evidence that he was mistaken, I will add that during the time the errors complained of were committed, there were seven hundred and three entries made in the register of registered matter in transit, of which twenty-seven only are in my handwriting. I presume it makes very little difference to either you or me, but

I could not contentedly rest under the imputation of having resorted to so cowardly a falsehood to screen myself.

"You will please file this statement with Mr. Post's letter.

"Respectfully, yours,

"C. MOORE,
"Ex-Postmaster Walla Walla.

"Hon. JOHN A. J. CRESWELL,
"Postmaster-General, Washington, D. C."

State whether you wrote that letter?—A. Yes, sir, I wrote that letter. I think that is just the way I wrote it.

By Mr. LUTTRELL:

Q. Explain that letter, if you have any explanation to make about it.—A. I wrote that letter because I wished to disprove what Mr. Post had said.

By Mr. CANNON:

Q. But that was after you had made your application to be re-instated?—A. Yes, sir; that last clause of the letter would indicate that.

By Mr. LUTTRELL:

Q. Have you received any other letter from Post since, or from another postmaster?—A. There is a letter here which I got from Mr. Riley, postmaster at Kelton.

By Mr. CANNON:

Q. When you were removed Mr. Gorman was appointed postmaster in your place?—A. Yes, sir.

Q. Is it not true that Mr. Gorman never qualified?—A. He never entered upon the duties of the office.

Q. Is it not further true that the man that did enter upon the duties of the office when you went out was a wounded soldier named Smith?—A. I do not know whether I ought to answer that, as I think about it, or not; he had been in the employ of the Government but he was never wounded in battle.

Q. Had he been a soldier?—A. Not that I am aware of.

Q. Do you know that he had not been?—A. I know he never claimed to be a soldier; I know about it by general report only. He was not a wounded soldier by any means; he was a democrat and had his legs cut off because they were not good to keep any longer.

Q. You were a republican, were you not?—A. Yes, sir; and I am a republican yet.

Q. Is Mr. Smith dead?—A. Yes, sir.

Q. Who was appointed when he died?—A. His wife.

Q. Is she postmistress now?—A. Yes, sir; but she does not attend to the duties of the office herself at all.

Q. State if Mr. Creswell ever told you that he removed you because you had forwarded reports in favor of the discontinuance of this route?—A. No, sir.

Q. Did any official of the Post-Office Department ever tell you so?—A. No, sir. I never expected they would tell me that.

Q. The service on this route used to be daily?—A. No, sir.

Q. Are you sure it was not daily?—A. It never was daily.

Q. What was the most frequent service on it?—A. Three times a week.

Q. When was that first cut off?—A. It was first cut off in August, 1869.

Q. Is that about the time you recommended that it should be cut off?—A. I recommended that on the 2d June and it was cut off on the 31st August.

Q. It was cut down from a tri-weekly to what?—A. A weekly.

Q. When was it increased again?—A. About a year from that time—the next letting.

Q. Have you examined the record to see the recommendations for the increase?—A. No, sir; I did not have much encouragement to examine any records.

Q. Then you do not know whether the Postmaster-General from the light he had before him and the whole record was justified in making the increase or not?—A. I do not know what lights he had before him.

Q. Do you mean to say that the increase was an improper one for him to make upon the information that he had?—A. No; I know nothing about his information; I know he sought no information from me.

Q. Is there any law compelling him to seek any from you?—A. No, sir; I am not acquainted with any law of that kind.

Q. You had put yourself fully upon the record already, I believe you stated?—A. Yes, sir.

Q. Do you know of any usage of the Department that the recommendation of a postmaster at one end of the route should override the recommendation of the Delegates from two Territories, the Senator from Minnesota, both Senators from Oregon, a Member of Congress, and United States officials?—A. I know that they say that the postmasters are the trusted agents of the Department, and it is the duty of the postmasters to make truthful reports, and to let them go for what they are worth.

By Mr. LUTTRELL :

Q. You made those reports ?—A. Yes, sir.

By Mr. CANNON :

Q. Are you aware of the reports made by these other men concerning the same matter ?—A. No, sir ; but I suppose they would recommend it.

By Mr. LUTTRELL :

Q. I allege now that Mr. Huntley has used money for the purpose of effecting the re-election of Mr. Garfield as Delegate to Congress from Washington Territory, and that subsequent to that time said Garfield recommended an increase of this Walla Walla and Missoula route ; was that the case ?—A. It was the case.

By Mr. CANNON :

Q. To whom did Mr. Huntley pay the money ?—A. Warren Whitcher.

Q. How much money did he pay Warren Whitcher ?—A. Warren Whitcher told me —

Q. How much money did Mr. Huntley pay to Warren Whitcher ?—A. Mr. Huntley was not there the first time at all. I did not see the letter opened.

Q. You have sworn that Mr. Huntley paid Warren Whitcher money to elect Garfield Delegate of the Territory ; how much money did he pay ?—A. If you confine me to saying that I saw it paid, I shall have to have the other answer stricken out.

By Mr. AINSWORTH :

Q. Do you know that anything was paid except from report ?—A. I did not see it paid at all. I know of other money being used there, but I did not see it used myself.

By Mr. CANNON :

Q. You have no personal knowledge except from rumor or hearsay that any money was paid ?—A. No, sir ; I have no knowledge except from rumor.

Q. Do you then desire to change your first answer to Mr. Luttrell's question ?—A. I would like to add just a little to it. I will change it in this way. I will say that it was so generally believed.

Q. Then you did not see money paid Mr. Whitcher ?—A. No, sir.

Q. Nor do you know of your own knowledge that any money was paid to him ?—A. No, sir ; I do not know of any money being paid to anybody of my own knowledge.

By Mr. AINSWORTH :

Q. You have stated that at the time the postmaster at Boise City wrote the letter, he was not postmaster, but only a deputy ?—A. That was all ; he was here in town himself to secure the appointment ; at least that seemed to be his business.

Q. Who was postmaster at Boise City at that time ?—A. Logan. I do not remember his initials, I think they are Thomas E.

Q. By whom were the counter-affidavits, in contradiction or in explanation of the charges against you, made ?—A. Howard, Massam, and Hartman ; but all of these matters are old.

Q. Do you know what was done with those counter-affidavits ?—A. They are on file in the Department here.

Q. How do you know that fact ?—A. On Saturday, when I was attempting to make a transcript of one of them, in anticipation of this examination, Mr. Van Vleck, who was in charge of the papers, had them out, and in looking them over, I saw the handwriting of the affidavits and I recognized them. Then he came to another paper which contained a different handwriting.

Q. Who brought these affidavits here ?—A. I sent them to Mr. Garfield, and he filed them.

Q. And you know that they were filed here ?—A. Yes, I know they were filed here, and the charges were dismissed. Mr. Garfield filed them, and I saw them afterward on file.

Q. Was there any contest at Walla Walla, or any feeling regarding the change ?—A. Yes, sir ; there was a very marked feeling.

Q. About how many voters had you at Walla Walla at the time, whom you supplied with mail facilities by your office ?—A. I suppose altogether eight hundred.

Q. About what number of them petitioned for your removal ?—A. I am not aware that any did.

Q. None of them to your knowledge ever asked a change ?—A. No sir ; not one.

Q. What number was upon your petition ?—A. My recollection is that it was five hundred and sixty-two, after striking off the names of those boys.

Q. Who was Mr. Garfield ?—A. He was agent of the Northwestern Stage Company.

Q. That is Huntley's company ?—A. Yes, sir ; Huntley's company.

Q. Where did he live ?—A. At Walla Walla.

Q. Did he own property there ?—A. Not that I am aware of.

Q. How long had he been there?—A. Less than a year.

Q. Where did he come from?—A. Washington City.

Q. For what purpose did he come there?—A. To act as a stage agent.

Q. Of what?—A. The Northwestern Stage Company.

Q. Represented by Huntley?—A. Huntley was the superintendent.

Q. Had Morgan his family there?—A. He has no family.

Q. State whether, while you were postmaster there, you refused to register letters, pay money-orders, or anything of that kind.—A. I never did, under any reasonable circumstances.

Q. Did you ever, when you had the money so that you could do it, refuse to change bills for registered letters?—A. No, sir.

Q. Do you remember Henry Howard applying to you to change money in payment of a registered letter?—A. I cannot remember the circumstances.

Q. There was a charge by Kelly that you refused to pay money-orders drawn on you?—A. There was something defective in the letter of advice in that case, if I remember about it correctly.

Q. Massam has filed a letter retracting his charges?—A. Yes, sir.

Q. What other business were you carrying on in connection with the post-office?—A. I had a stationery store.

Q. State what your practice was with reference to waiting upon the post-office or upon customers.—A. Universally I attended upon the post-office first.

Q. You stated that upon your recommendation the service upon that route was diminished?—A. Yes, sir, in 1869.

Q. I understand you to say that previous to that increase you were not consulted in regard to the increase?—A. I was not consulted about it.

Q. No notice was given you that an application was before the Department for an increase?—A. No, sir.

Q. State whether your people at Walla Walla were the people most directly interested in the furnishing of the service.—A. They were on the third of the route that was used.

Q. And the other two-thirds of the route was not used?—A. It was only used as I have stated here.

By Mr. CANNON :

Q. Mr. Gorman never entered upon the duties of the office, did he?—A. No, sir, he did not.

Q. Were you subpoenaed to come here from Walla Walla?—A. No, sir; not from Walla Walla.

Q. Where were you subpoenaed from?—A. Philadelphia.

Q. Did you make an application to the committee to come and testify?—A. Yes, sir.

By Mr. AINSWORTH :

Q. Do you know why Gorman did not qualify?—A. I could only answer that by saying what I think.

Q. Upon whose recommendation was Smith appointed?—A. General Grant's; he was a friend of General Grant's. Smith was not aware of the appointment at all before it was made. There was no petition of the people there for his appointment.

Q. Was he competent for the position?—A. Yes, sir; he was competent.

Q. And he discharged its duties until his death?—A. Yes, sir.

WASHINGTON, D. C., July 11, 1876.

MARSHALL JEWELL sworn and examined.

By the CHAIRMAN :

Question. We have had some evidence before this committee in regard to some routes that were run by a contractor named Kittle, and in reference to which Special Agent Hopkins was sent down to that country for the purpose of making an investigation, by Mr. Woodward. Do you remember the facts in regard to that matter?—Answer. I think Hopkins went down twice.

Q. I wish to know the reason why the Department did not charge to Kittle a deduction prior to the 1st of January, 1875.—A. According to my recollection Hopkins went down to investigate Kittle, or some other contractor, and sent a report which was never received, and was then sent back again. According to my recollection, upon his return a second time, the matter was taken up in detail by the Second Assistant Postmaster-General, and a settlement was made under the advice of Judge Spence, the Solicitor. I cannot, from recollection, tell what fines were charged or what deductions were made, or why they were made. I can only say that those two gentlemen did make them. I do not now recall whether it had any official approval or not.

Q. I understand the fact to be that a settlement was made with this man Kittle, and the deductions were made only from the first quarter of 1875, which left a balance due to Kittle, subsequently paid to him by the Government; but if the Department had gone back behind the 1st of January, 1875, and deducted for the failure to perform service for that period there would have been no money coming to him at all. If there was a legal reason given by Judge Spence why he should not go behind that date in the settlement, please state what that legal reason was.—A. The business of the Department is so large that I do not, and never have, given time to the mastery of the details in regard to fines and penalties of the contractors, because that is the special duty of the Second Assistant Postmaster-General, and I rely upon his judgment. In a general way I recollect—and that is all I do recollect about it now—that I made up my mind that Kittle was a precious rascal, and if he had defrauded the Government I wanted him punished. Hopkins was sent down there the second time, I think, because he had lost his report. With the finding of Mr. Tyner, approved by Judge Spence, I was content, because I knew nothing about the matter except what those two gentlemen told me. I have no distinct recollection myself as to the facts of the case.

Q. Kittle's contracts were all annulled by you on the report of Hopkins on the 12th of March?—A. Yes, sir; I believe they were.

Q. Special Agent Hopkins was sent down there by the Department to see if any fraud had been committed, was he not?—A. I cannot tell what his instructions were, or what he was sent for; he was, I believe, sent by the chief of special agents.

Q. Was it the habit of the Department, when they sent special agents to make investigations of that character, in regard to fraudulent contractors or postmasters, to rely upon the report of such special agents, and to act on it?—A. All sorts of things happen with reports of special agents. We act upon information and upon previous knowledge, and I could not categorically say that we always act according to the recommendation of the special agents.

Q. Are special agents not sent for the purpose of getting evidence upon which you can act?—A. They are sent to get information for the Department. There are many reports come in, however, that I do not read.

Q. You mean reports from special agents?—A. Yes, sir.

Q. Is this Mr. Hopkins a gentleman of good character?—A. I found him there when I came in; he was an appointee of my predecessor, and has been continued there ever since.

Q. Have you found him faithful in the discharge of his duties?—A. I do not know that I have any reason to complain of him.

Q. I wish to ascertain that, because in his own evidence he makes statements with regard to it, and if there is any reason for discrediting his report or his testimony before the committee, I would like to know it.—A. I do not know of anything; I do not recollect what his report was.

Q. Was there ever any arrangement made with Kittle by the Department to the effect that these deductions were not to be made behind that date of the 1st of January, 1875?—A. I do not think I ever had an interview with him on the subject at all. I did not make the settlement and do not know much about it; the settlement was made by the proper officers in the Department.

Q. Still you were satisfied that he was a rascal?—A. I took it for granted that all of those southwestern contractors were rascals.

Q. All of them?—A. Yes, sir, and particularly Kittle.

Q. State to the committee why you considered Kittle a rascal.—A. I do not know that I can do that.

Q. Did this report of Hopkins have anything to do with forming that opinion?—A. I think that previous to this Kittle had been connected in some way with the stamping of fraudulent bids in the Department.

Q. Was that previous to this settlement?—A. I should think it was previous to this settlement.

Q. That was a matter in which he was connected with Hinds and the clerks in the Department?—A. Yes, sir.

Q. Kittle was made a witness on the part of the Government in that case against Hinds?—A. I believe so.

Q. What arrangement did the Department make with Kittle in regard to that?—A. I made none.

Q. Did anybody else make any arrangement?—A. I am not aware of any.

Q. What arrangement was made by which he was to testify, since he was a criminal himself, according to his own confession?—A. I shall have to refer to Mr. Woodward and to Mr. Petherbridge.

Q. Did you have no communication with Kittle at all in regard to it?—A. I had one interview with him, if I recollect right. I think that is the only one I ever did have with him.

Q. Was that in the presence of Petherbridge and Woodward or alone with him?—A. No, it was not alone with him; it was in the presence of somebody—Petherbridge, I think, but perhaps it was Woodward. I have forgotten.

Q. What was the result of that interview?—A. The interview was in regard to the stamping of fraudulent contracts.

Q. But what occurred at that interview?—A. I think very little occurred except that Petherbridge brought Kittle to me, and said that he had been bribing somebody—I should think the clerks in the Department—and that he was going to testify to that effect. If I recollect right, I did not ask for the details.

Q. Did you ask whether he was going to testify in regard to it?—A. If I recollect right I did not ask that.

Q. Were the clerks whom he had bribed not brought in at that same interview, and confronted with Kittle?—A. I think there was one clerk brought in; I have almost forgotten which one, however.

Q. Do you recollect what occurred when that clerk was brought in?—A. I think that Kittle told him, or told me in his presence, that he had paid him money for information of some kind—exactly what I do not recollect—and that the clerk admitted it. I think that was all that occurred in the presence of Kittle.

Q. Did the clerk admit that he was guilty?—A. Yes, sir.

Q. You think that there was only one clerk brought in?—A. I think there was only one.

Q. What was said to Kittle in your presence in regard to the matter; was there anything said about prosecuting anybody, or about his being a witness against anybody?—A. I believe there was not; it was not a long interview, and it was a matter of which the others, Mr. Woodward and Mr. Petherbridge, were taking charge, and I did not hear a great deal about it in the presence of Kittle.

Q. What was the object of bringing Kittle and that clerk before you by Petherbridge; had he been directed to do anything of the kind?—A. No, sir.

Q. Was it to receive instructions from you in regard to the matter?—A. I do not know.

Q. Did you give any instructions about it?—A. No, sir; I remember that I was somewhat annoyed that they brought him in; I thought they were detectives, and they ought to do this thing alone, without coming to me.

Q. Did you give any personal instructions to prosecute them?—A. I had given general instructions to prosecute anybody in the Department against whom proof could be obtained.

Q. You had given no special instructions in regard to this case?—A. No, sir; not that I recollect.

Q. After Petherbridge had stated this matter, they retired without any suggestion on your part?—A. I think so, but I can hardly tell that at this interval.

Q. Can you give the committee the information why Mr. Hinds was picked out among these men who were supposed to be criminals in this matter for prosecution, for I believe he was the only one prosecuted?—A. I cannot give the details of the reasons.

Q. You do not know, then, why Kittle was not prosecuted himself?—A. No, except that he was used as evidence.

Q. Was he promised by any one that if he would give this evidence he should be free from prosecution?—A. He was not so promised by me.

Q. Do you know whether he was promised that by any one else?—A. No; I am not aware of it.

Q. You do not know whether he was promised at all that he would be free from prosecution?—A. I do not know.

Q. You know, however, that he was not prosecuted?—A. I do not know that he was prosecuted.

Q. Do you know why these clerks were not prosecuted?—A. It seems to me that some attempts were made to indict some of the clerks, but I cannot be certain about it.

Q. Did you ever make any effort as the Postmaster-General, having control of that Department, to have any clerks in the Department prosecuted?—A. Yes; I directed in a general way that if any one had committed an offense for which they could be indicted, and if proof of it could be obtained, to spare nobody. Those were my general instructions.

Q. Whom were those instructions given to?—A. They were given in general conversations with Mr. Woodward and Judge Spence, who was the attorney in the Department.

Q. Did they ever report to you that they took any steps in that direction?—A. No, unless they reported verbally.

Q. Did they make any verbal report about it?—A. They talked about it once in a while.

Q. What reason did they give for not prosecuting?—A. I do not know that I can tell. I do not know that they gave any. I got the impression that Hinds had been the man who had bribed the clerks, and that they were using the clerks as evidence against him, he being the greatest criminal. The clerks were on low salaries and were needy, and they could be easily tempted by a wealthy contractor.

Q. Was there any charge that they had received bribes from Hinds?—A. I have forgotten whether they did from Hinds or not; but I think not.

Q. Hinds was prosecuted and acquitted?—A. Yes, sir.

Q. It has struck me that it was a little strange that, since the confession evidently showed Mr. Kittle to be guilty of having paid these clerks money, and that they admitted themselves guilty of having received money from him, none of them were ever prosecuted, and that Hinds was alone picked out to be prosecuted. Can you explain that in any way?—A. No; there were only two contractors implicated, Hinds and Kittle. I have not much recollection about the details of it, really. I understood that it was necessary to use these clerks as evidence in order to convict Hinds, and I thought Hinds should be convicted. I got the impression that it was necessary or proper or best to use the clerks as evidence against him.

Q. Was it your impression at the time that you could make the strongest case against Hinds?—A. Yes, sir.

Q. Why did that prosecution fail?—A. You ask me too much when you ask me why that prosecution failed. I never thought that it ought to fail; but it did fail—why, I do not know. I was out West when the trial took place; it was brought on very suddenly and very unexpectedly, in my absence.

Q. Did not you think Kittle and these clerks ought to be convicted, too?—A. It was difficult, as I understood, at the time, to fasten an indictable offense on the clerks. While they had been guilty of conduct unbecoming an officer, improper, and tending to dishonesty, yet, in several instances, if I recollect right, the offense could not be made out as a clear and technical violation of any statute or law. That is my impression.

Q. What was the offense as claimed?—A. If I recollect right, it was such a thing as opening the rooms on Sunday, or in the evening, and showing the bids to contractors, and giving information to contractors of the bids of other parties.

Q. And also of receiving money for that purpose?—A. I do not recollect that there was more than one of them who received money.

Q. Which clerk was that?—A. I think that was Floyd.

Q. Was there any statement that Channell had received money?—A. It seems to me he received \$50 from somebody, but I do not know from whom, or how, or for what.

Q. Would not that be a subject of indictment—if those men had received money for the purpose of bribing them to violate their official duty?—A. I am not a lawyer.

Q. Was there a decision by the law-official of the Department that that was not a subject of indictment?—A. The United States attorney was consulted about all those matters, and he had charge of the cases; they had passed beyond my advice or jurisdiction. I was very much dissatisfied that more people were not punished, but I was powerless to help it.

Q. Some of these men did make confessions. Who was the officer in the Department to whom they did make confession?—A. Mr. Petherbridge, if I recollect right, had more to do with it than anybody else. Perhaps they made it to Mr. Woodward as well.

Q. Did not Mr. Woodward and Mr. Petherbridge hold frequent consultations with you in regard to it?—A. Mr. Woodward did somewhat frequently; Mr. Petherbridge rarely.

Q. Did not Mr. Woodward receive direct instructions from you in regard to the matter as to what he should do as your officer or for your Department?—A. He received general instructions to prosecute everybody that committed fraud, and to indict everybody he could.

Q. Under those general instructions he chose to prosecute Hinds?—A. I think he took the cases to the United States attorney, for I used to hear him talk about the witnesses going before the grand jury. What occurred there I do not know. I only know that Hinds could not be then so indicted. I had an interview with the district attorney once or twice, or thrice, and urged that if these parties had any of them committed offenses that they should be prosecuted, and I offered, if he had not time to attend to the cases himself, to obtain assistant counsel for him, which was declined.

Q. That offer was in regard to any who had committed an offense in the Department, and not particularly with regard to Hinds?—A. I think it was in regard to post-office cases generally.

Q. Did you ever urge upon the district attorney to indict the clerks in the Department?—A. I do not know that I did.

Q. You discharged those clerks from the Department?—A. Yes; I discharged everybody who had had any knowledge of any irregularities of any kind, shape, or nature, so far as I could obtain information.

Q. There were no other clerks in the Department that were discharged except Channell, Floyd, and Colt, or who were implicated in those matters?—A. There were no other clerks I believe implicated. I believe I discharged all that were implicated.

Q. What was Colt discharged for?—A. I should think for having knowledge of irregularities, but whether for participation in them or not, I do not recall.

Q. There is another question in regard to those postmasters that gave these false certificates on this route from Corpus Christi to San Antonio; were all those postmas-

ters who were found to have given false certificates in the interest of Kittle, under that contract, removed from office?—A. I could not answer that without going to the records of the Department.

Q. Is it the habit of the Department to remove postmasters if they are found to be guilty of offenses of that kind?—A. It is, if it comes to my knowledge; yes, sir.

Q. You cannot positively state without going to the records whether or not in that particular case those postmasters were removed?—A. No, sir; those postmasters are small postmasters, and are in charge of the First Assistant, Mr. Marshall.

Q. Has any knowledge ever come to you that Kittle had tampered with any one else besides these clerks?—A. There was a messenger by the name of Rothrock, a poor, consumptive fellow, whom I have kept in another department from mere sympathy. I never thought he had wit enough to know what he was about; he was somewhat implicated, but, as I thought, ignorantly. I have forgotten how he was implicated.

Q. Was there any one else besides Rothrock?—A. I think not; I do not recollect now.

Q. Has any knowledge ever come to you in your investigations that any other contractor tampered with those clerks?—A. No, I think not; I do not recollect any.

Q. Or any of the clerks in the Department?—A. I do not recollect any.

Q. These were the only two contractors, with regard to whom you have any knowledge that they committed this kind of fraud in the Department?—A. Yes, sir.

Q. Was there any statement ever made by a contractor—take, for instance, this man Peterson—or any effort made with the view of having a clerk removed—Holbrook, for instance—by a personal appeal to you?—A. I think Peterson did make some charges against Holbrook.

Q. What were the charges that he made, if you remember?—A. I do not remember what they were.

Q. Did you notify Holbrook of the charges?—A. I cannot say whether I did or not.

Q. Do you remember whether Peterson gave any reason for wanting him removed?—A. I think he stated that he was a dishonest and unreliable man, or something of that kind; I do not recollect whether he went into details.

Q. Was Holbrook at that time investigating or doing any work in regard to the Peterson contract?—A. I do not know whether he was or not; I have forgotten what department Mr. Holbrook was in.

Q. Holbrook, in his testimony, says: "I told Governor Jewell that I had already given Mr. Woodward assistance at his request, in working up these alleged frauds, and that Reeside was working with him. The Postmaster-General said that he knew he was, but wished I would give him any further assistance I could." Have you any explanation to make about that?—A. It is very likely I did. I have no reason to doubt the truth of that, but I have no recollection of that.

Q. Did Peterson's charges against Holbrook make any impression upon you?—A. I got the impression that the contractors were a bad lot, and they would make indiscriminate charges against clerks, and clerks were in the habit of making pretty indiscriminate charges against contractors, and I took the casual accusations of all hands with a good many grains of allowance.

Q. What had you learned of this man Peterson up to that time, and as a contractor?—A. I do not recollect; I cannot now tell.

Q. You regarded him as one of the bad lot, however?—A. I did, and I think I told him so.

Q. When Holbrook was asked for his resignation, was it on account of the charges that Peterson had made?—A. I asked for his resignation because I chose to.

Q. Was it on account of any charges that Peterson had made?—A. It has been my habit, as I suppose it is the habit of the heads of other Departments, when they want the resignation of a clerk to say so, and to give no reasons. I shall decline to give my reasons.

Q. Did Peterson's charge against Holbrook have any effect upon your mind in asking for Holbrook's resignation?—A. I do not like to have clerks in the Department against whom accusations of any kind are made.

Q. Do you mean to be understood as saying that Peterson's charges did have effect upon your mind?—A. I made up my mind that Holbrook was not the man I wanted there, so I discharged him.

Q. But that is not what I ask.—A. I can hardly tell the specific things that have effect upon my mind.

Q. Still you made up your mind that Peterson was a bad lot?—A. I made up my mind that Holbrook was so, too, probably, for I asked for his resignation.

Q. Was the reason that you asked for his resignation that you had made up your mind that Holbrook was a bad lot?—A. I asked him for his resignation because I wanted it.

Q. You made no charges to him at all?—A. I believe I said nothing to him except that I wanted his resignation.

By Mr. AINSWORTH :

Q. Were there any charges against Holbrook made by other parties than Peterson to you?—A. I do not think there are any charges on file in the Department.

Q. Were there complaints against him from other parties than Peterson?—A. There were criticisms, perhaps.

Q. Do you remember that there were?—A. I got an impression from various sources that he was not the man I wanted.

Q. Were there any charges of corruption made against Holbrook, to the effect that he was guilty of corruption as a clerk in the Post-Office Department?—A. I cannot recall any except Peterson's.

Q. Peterson is the only man you can recall as having made charges against him?—A. Yes, sir.

Q. Was he removed on account of charges that Peterson made against him?—A. He was removed because I wished him to resign.

Q. Was he removed because Peterson had made charges against him?—A. I decline to answer, for I do not remember whether he was removed immediately after that or not; I cannot tell; I have forgotten. I have removed a great many clerks and employes because I thought it was for the interest of the service, acting upon my own judgment, and under the law, as I supposed I had a right to do, and was directed to do it.

Q. You gave information to Holbrook at the time that Peterson had made charges against him; did you tell him that you were satisfied or not of the truth of those charges?—A. I have no detailed recollection of my conversation with Mr. Holbrook.

Q. Did you send for Holbrook to come to see you in regard to it?—A. That I cannot tell.

Q. But you have a remembrance of having told him that Peterson had made charges against him?—A. I think I have told him that. I cannot tell whether it was in my office or where it was.

Q. You do not remember whether you told him whether you believed the charges or not?—A. I do not remember.

Q. Mr. Holbrook states that "Governor Jewell stated that he was glad to see me; that a gentleman had called upon him in relation to me a few days before, and stated to him that he had a bad man in his Department who had been giving information to members of Congress and the papers; and he said that man who told him that was B. H. Peterson." Was that all the charges that Peterson made in regard to it?—A. It seems to me that Peterson said that he used to be a special agent, and used to be drunk. I heard that from Peterson or somebody else.

Q. Was that information that you had heard from Peterson or somebody else the cause for his discharge?—A. I discharged him because I thought it was for the interest of the service, and beyond that I decline to reply.

Q. How did you think it was for the interest of the service?—A. I decline to reply beyond that.

Q. Have you any knowledge of Holbrook's being drunk?—A. I never saw him drunk.

Q. Have you any knowledge that Holbrook had been negligent and inattentive to his duties as an officer of the Department?—A. I do not recollect.

Q. Did Mr. Knowlton ever apply to you to know the reason why Holbrook was asked to resign?—A. He was my chief clerk. I do not recollect that he did. He was chief clerk, and was about there all the time, in and out.

Q. Were you asked by any other officer of the Government to ask for Holbrook's resignation?—A. I decline to answer.

Q. Were you asked that by any person?—A. I decline to answer that. I discharged him because I thought it was for the interest of the service, and I decline to give my reasons.

Q. Were you asked by any other Cabinet officer to do that?—A. If I had been, I should decline to give the information; and I do decline to answer.

Q. Did Mr. Belknap ever ask you that?—A. I decline to answer as touching any period during which he was a member of the Cabinet.

Q. Did any other person who was not a member of the Cabinet ever ask you that?—A. I decline to answer in regard to the removal of Mr. Holbrook, except as I have done. I removed him because I thought to do so was in the interest of the public service.

Q. Do I understand you to say by that that he had been guilty of any practices that were corrupt, or that were against the interests of the Government?—A. I asked his resignation because, in my judgment, it was for the good of the service. I decline to give any reply in regard to it, except that his resignation was asked for by me, as I have stated before.

Q. When you asked for Mr. Floyd's resignation, why did you ask for it?—A. I have forgotten whether I asked for his resignation or whether I turned him out, but it was because I thought it was for the interest of the service that he should leave.

Q. Was it not because he had received bribes?—A. The less would carry with it the greater. I thought it was for the interest of the service that he should leave.

Q. Fraud in office on the part of a clerk of the Department has not, then, been the only reason why you removed an officer or why you believed it was for the interest of the Government to remove him?—A. I think I have removed people for various causes, such as inefficiency, and because I wanted vacancies, and various things. If I think it is for the interest of the service, I remove clerks and employés.

Q. Is Holbrook a man of good character?

Mr. CANNON objected to the question, because it was not shown that the late Postmaster-General was acquainted with the reputation of Holbrook for integrity among his neighbors, and because the proper foundation had not been laid, showing that the late Postmaster-General had any knowledge as to what Holbrook's reputation was.

By the CHAIRMAN:

Q. Are you acquainted with Holbrook's reputation as an officer in the Department?

Mr. CANNON objected to the question, because this was an *ex parte* hearing, in which he did not think it legitimate to go into the question of a man's character. [Objection overruled.]

The WITNESS. I never heard very much about Holbrook, any more than I do about the hundreds of other people in my Department. In fact, I am of the opinion that I did not know that there was such a man there until Peterson gave me his name. I should think not.

By Mr. AINSWORTH:

Q. Did not you have a conversation with Woodward regarding him, in which Woodward requested that he should assist him in working up these frauds?—A. When I first went into the Department I found it to be so large that it was months before I knew the names of all the clerks; in fact I do not know them yet, personally, and Mr. Woodward might have asked me for Mr. Holbrook, or for others that I could not locate.

By the CHAIRMAN:

Q. Did this man Peterson have any persons that were high in officer or in influence, to intercede for him about his contracts in regard to the remission of fines, or anything else in relation to him?—A. It is so large a Department that I can hardly recall that. There were two Petersons who were contractors, and I can never tell which is which, having never seen one of them, and having seen the other only twice.

Q. I refer to B. H. Peterson—Dr. Peterson?—A. I do not know the difference.

Q. You say you only saw one of them?—A. That is all, I think. The one I saw is not the man we fined, I think. We deducted or fined Peterson \$9,000, and I do not recall that any official or any high functionary ever talked with me about it, except that on one occasion Senator West came in and showed me a telegram from Peterson—but which Peterson it was I cannot tell—dated in New Orleans, I think, and directed to him, the purport of which was if he would ask me if I would relent and remit the fine or pay him the amount claimed to be due. Senator West said he had no knowledge of it, but he had received that dispatch, which he showed me. I said the order as it had been made must stand, and that is all there was said about it.

Q. Has there been any claim from him before the Department for the last month?—A. Not to my own knowledge or that I recollect. He made an application for a remission of this fine or deduction, in a written argument or brief, which was left at the Department, I think most likely by himself, though I did not see him, which was referred to the Assistant Attorney-General by the Department. No action was taken upon it.

Q. No action was taken and the fines have not been remitted?—A. No, sir; they have not been remitted.

By the CHAIRMAN:

Q. I wish to ask you some general questions about some things that have come to us as rumors. Was there ever a mistake made in the railroad mail-service by the clerk who had charge of the matter, in regard to one of the trunk lines of railroads running west—possibly the Erie—by which that railroad was overpaid a large amount of money?—A. I do not recall the circumstance you allude to, if there was any circumstance of the kind. I think there is nothing of that kind. I certainly have no knowledge of it.

By Mr. AINSWORTH:

Q. If there was a mistake made in favor of the railroad in a payment, would you have the authority to correct that mistake in your subsequent payments to the road?—A. I think so; I think I should have the power, whether I had the authority or not.

Q. If you had paid several thousand dollars which should not have been paid to the railroad, you would have the power to withhold it from the next payment?—A. I think so.

By the CHAIRMAN:

Q. What has been your habit in the Department in making contracts for stationery and other things needed for the Department?—A. I think it is all done by advertising.

Q. And let to the lowest bidder?—A. I think so.

Q. Have you made any contract with any parties where the contract was not given to the lowest bidder—for instance, for stamped envelopes?—A. I think not.

Q. Was there not a contract for stamped envelopes that was let at the last letting, where the person who thought he was the lowest bidder did not get the contract?—A. I think not.

Q. Who is the contractor for stamped envelopes now?—A. The Plympton Manufacturing Company, at Hartford.

Q. They were the lowest bidders?—A. Decidedly they were.

By Mr. AINSWORTH :

Q. At the time of that letting were any bids rejected for informality?—A. I think not, although there were bids that were informal. Those informal bids were much higher.

Q. Were there any lower bids which were rejected for informality?—A. No, sir; that was not the case, I think, at that letting. The accepted bid was regular, and was the lowest.

Q. Who is the contractor for locks now for the Department?—A. I do not know; I suppose I ought to know, but I cannot tell you. We have several kinds of locks.

Q. For mail-locks?—A. I think a party by the name of Smith, at Bridgeport, Conn., has that contract.

Q. Has he the contract for furnishing all the locks of that character to the Department?—A. I have not the details in my mind; I cannot tell.

Q. Have you ever made a personal contract, without advertising, with any party for furnishing locks?—A. I think there has been a contract made by Mr. Barber, very likely with my approval, for seal-locks for registered letter-bags.

Q. Was not that kind of lock excluded in the original contract with this firm in Bridgeport?—A. It was let before my day, and I have forgotten it.

Q. It was not let by you?—A. No, sir; I think that contract at Bridgeport was let before I came in.

Q. What was that contract you spoke of having been made by Barber with your approval?—A. You asked me if I bought any locks other than by advertising. We wanted a different lock with a different key for a different purpose.

Q. A better lock?—A. A seal-lock. Mr. Barber had it all in charge and I could not tell you the details of it. There was some kind of lock bought long before I came in which proved to be ill-adapted to the proposed purpose.

Q. Were the lowest bidders for stamped envelopes in that business before they made the bid?—A. Yes, sir.

Q. And had the necessary machinery and everything of the kind?—A. Yes, sir.

Q. The law of 1874 reduces the compensation of postmasters—that is, the percentage which they were allowed for their salary—and I would like to know why no re-adjustment of their salaries was made under that law?—A. That comes under the charge of the First Assistant Postmaster-General, and I think the law itself designated that it should be done at the end of two years.

Q. The statute reads as follows: "That the salaries of postmasters of the first, second, and third classes, except that of the postmaster at New York City, shall be re-adjusted by the Postmaster-General once in two years, and in special cases as much oftener as he may deem it expedient." State whether the passage of a law reducing the compensation of those postmasters was not in your opinion a sufficient reason for re-adjusting those salaries, they having been adjusted just prior to the passage of the law, and they having nearly two years to run under the old salary, which was far in excess of the law in force during your administration of the Post-Office Department.—A. My attention was first called to that law by Mr. Marshall, in whose department all these matters are, during the month of June last.

Q. June, 1876?—A. June, 1876. I must refer you for all information regarding it to Mr. Marshall.

Q. Was that your first examination of the statute relating to compensation to which postmasters were entitled?—A. I had read that law, but had supposed until this moment, and I do not know now but that I am right, that the intention was to re-adjust the salaries at the end of two years.

Q. Then, in your opinion, the reduction of a salary which was to run for nearly two years would be no such cause as would warrant a re-adjustment?—A. I should decline to give an opinion, because the re-adjustment is in that other department.

Q. The salaries never have been re-adjusted to conform to the statute from the time you took possession of the office, have they?—A. I am unable to answer such a question as that.

Q. Have you ever re-adjusted them under the statute of 1874?—A. I think never until lately—the month of June last.

Q. That statute was in force at the time that you took possession of the office?—A. I believe it was.

Q. There is a statement in evidence that after you took possession of the office, you declared your intention of investigating the workings of the office for the purpose of correcting abuses in that office, but, in connection with that declaration, declared that you did not design to investigate any affairs or matters which had occurred during Mr. Creswell's administration. State whether to Mr. Woodward or others you did make such a statement.—A. Before I had been in office a week I was asked to reverse decisions made by my predecessors; I have been asked to do that scores, if not hundreds of times. My reply has been almost universally that the active business of the Department was sufficient to occupy my time, and I should not undertake to take up questions which had been decided by my predecessors. I think the statement you refer to must have grown out of some such remark as that on my part.

Q. Then your effort has been to make the administration of the Post-Office, under your direction, as complete, perfect, and honest as possible, without meddling with what may have transpired under your predecessors, has it not?—A. My object has been to make my administration as honest and perfect as I could, and I have declined repeatedly to open and reverse decisions made by my predecessors.

Q. That is not quite a full answer. My question is whether you have declined to investigate matters occurring in the previous administration, which were alleged to have been fraudulent?—A. I do not recall any such declination.

Q. Do you recall any statement that you desired to confine yourself to putting the Department under a correct basis under you, and declined to investigate Mr. Creswell's administration? Did you so state to Mr. Woodward?—A. Well, I may have made such a statement, though I really do not recall it; such would be the fact.

Q. My understanding is, then, that you deemed the running of the administration all that you cared to attend to, without meddling with those old matters, and you desired not to investigate any of those old matters; is that the fact?—A. Yes; the business of the present is enough to occupy the time of the Postmaster-General.

By Mr. SLEMONS:

Q. You say you have been called on constantly to reverse decisions of your predecessors; have not you found it necessary to reverse decisions that came in conflict with your administration?—A. I mean by that that parties who had failed to get contracts which they thought they ought to have had, or who had had fines or deductions imposed on them which they thought unjust, asked frequently, during the first weeks and months of my administration, that I would take up those old cases.

Q. You mean, then, to speak in reference to business past and gone?—A. Yes, sir.

By Mr. AINSWORTH:

Q. Do you know Mr. Edmunds, the postmaster here in the city?—A. I do.

Q. State whether you had any conference with him with reference to the certificate which should be attached to the bonds approved by him, filed with proposals?—A. I should think I had at some time.

Q. Was there any conversation between you and him regarding the certificate, or a modification of the certificate required to be attached by him to that approval?—A. I have forgotten the details of it.

Q. State whether you had a conference with him in which he objected to certifying that he had knowledge of the sufficiency of the bondsmen, and inquired of you whether it would be sufficient in the Department if the word "belief" were inserted, and whether or not, in that conference, you told him it would be sufficient.—A. I do not recall the details of that conversation. I think he told me that strange contractors came here, and he had to certify on their letters or such information as was brought to him. He said he had to depend on the statements of Congressmen, or such other information as he might be able to obtain, and it must be a matter of belief rather than of knowledge.

Q. Do not you remember that in that conversation you stated to him that a certificate upon his belief was sufficient?—A. I do not remember. I presume I have taken his bond in that way. I do not know.

Q. When you came into office, was not a certificate used in that Department in which the postmaster making the certificate certified that to his knowledge the principal and bondsmen were good, and did not you cause a modification in the next blanks printed, by which the word "belief" was inserted?—A. I do not think I have personally given such attention as that question would indicate, to the matter of the bonds. Mr. Tyner and Judge Spence have had charge of it, and whatever changes have been made have been, I think, made by them—perhaps, with my approval, though I do not know.

Q. Has not that modification been made during your administration?—A. I cannot say.

Q. What is the practice in the Department regarding the amount of property required to be owned by the bondsmen? Are they required to be worth enough to cover the entire amount for which they are liable upon those bonds, or may a man worth \$2,000 become bondsman in the Department for \$20,000, there being ten distinct proposals of \$2,000 each?—A. In a general way, I should think we would receive a person

as security on bonds, the face aggregate of which would be beyond the amount of real estate in which the person could qualify, because the supposition would be that upon ten bids of \$2,000 each it would only be \$50 or \$100 each to the next lowest bidder, and the Department would, therefore, be safe in taking such bonds.

Q. Do you know anything of certain bids in the name of J. F. Reynolds, upon which Kittle and Ryan were sureties, for routes in Florida which were let at the last bidding?—A. I must refer you to Mr. Tyner for all those details.

Q. Do you know the fact that Mr. Tyner came here and asked an investigation of the validity of those proposals?—A. Yes; I knew he came here and asked for something about them.

Q. Did you take interest enough to read the testimony taken at that investigation?—A. I was present, I think, at the first investigation.

Q. You heard the testimony of Mr. Edmunds?—A. No; I was present that evening, but not till after Mr. Edmunds had testified, if I recollect right.

Q. Did you ever read Mr. Edmunds's testimony?—A. No; I do not think I did in detail.

Q. Are you aware of the fact that Mr. Edmunds testified that he made no inquiry whatever as to the responsibility of Mr. Reynolds, and knew nothing of Mr. Reynolds whatever at the time he made this certificate?—A. I am not aware of it.

Q. You have never investigated the case enough to know what he did swear?—A. I have personally never investigated the case at all.

Q. Has Mr. Tyner or any other officer of the Post-Office Department recommended to you the removal of Mr. Edmunds?—A. I believe not.

Q. Is he still postmaster in Washington?—A. He is.

Q. Are you, and were you at the time of this investigation, aware of the fact that a statute of the United States required that a postmaster signing a false certificate should be removed from office?—A. I am aware of that law.

By Mr. CANNON :

Q. You are not aware of Mr. Edmunds being willfully wrong or willfully negligent in making certificates?—A. I am not. No, sir.

By Mr. AINSWORTH :

Q. Would you consider it a neglect of duty for a man to certify that he had inquired diligently regarding the responsibility of a party, and then come before a committee and under oath swear that he never made any inquiry at all regarding that responsibility; what would you, as Postmaster-General, have considered it?—A. I am not called upon to give an opinion in a suppositious case.

Q. As Postmaster-General, would you have considered the fact of a person having certified that to be true which was not true, and that he had made diligent inquiry concerning the same when he had never made inquiry regarding the matter, as affecting that man's character or fitness for postmaster?—A. My attention has never been directed to any certificates of Mr. Edmunds which looked to me as though he was covering up, or was a party to, any fraud.

Q. My question does not relate specially to Judge Edmunds; I am asking what your construction of such an act would have been in the Department?—A. Those bonds are all made and approved by the Second Assistant Postmaster-General, and by me approved without examination. I am unable to give what is the rule in such a case as that, or what has been the rule.

Q. Are you unable to state whether the fact that a man had certified that he had performed acts which he afterward swore he never had performed, would have affected or not affected his standing in the Department?—A. If the case was as clearly brought out on a bond as you have made it in your question, and my attention had been directed to it, I should say it was too careless, though it might not be fraudulent.

Q. Would it not, under the statute which requires you to dismiss postmasters who certify falsely to bonds, have made it your duty to have dismissed that man from office?—A. Very likely, if I believed him guilty of any fraud.

Q. Would not the same cause which would make it your duty to dismiss, make it the duty of other officers who have the power of dismissal to act in the same manner?—A. I do not judge for other people, but only for myself.

Q. The same law applies to all the officers, except that there are different appointing powers?—A. I believe so.

By Mr. CANNON :

Q. You are not a lawyer by profession?—A. I am not.

Q. In the Post-Office Department, how many clerks are there—two or three hundred?—A. Yes; two or three hundred.

Q. There is a First Assistant Postmaster-General?—A. Yes, sir.

Q. He has charge of appointments and the creation of offices, and the regulation of the salaries of postmasters, I believe?—A. Yes, sir.

Q. In all matters of that kind, state if you rely upon him to work the business up and present the matter in a nut-shell to you for action, or else to act upon his own motion?—A. One or the other.

Q. Most generally he acts upon his own motion?—A. Yes, sir.

Q. In regard to nine-tenths of the business or more?—A. Yes, sir.

Q. He, in turn, has a chief clerk, has not he?—A. Yes, sir.

Q. Then, there are several different departments in his office, are not there?—A. Yes, sir.

Q. The care of the clerks in each being with the head of the bureau?—A. Yes, sir.

Q. Take the First Assistant's office alone; state if it is not true that there is so much business in that by itself that no one man could do it all, or examine all the detail of it?—A. Yes, sir; that is so.

Q. The First Assistant must depend upon his chief clerk and upon the heads of his bureaus and his clerks in working up the business?—A. O, yes.

Q. There is a Second Assistant Postmaster-General, I believe?—A. There is.

Q. He has charge of making contracts for the mail-service, by which a large part of the money spent for mail transportation is disbursed?—A. Yes, sir.

Q. He, in turn, has a chief clerk?—A. Yes, sir.

Q. And in his bureau there is the inspection division?—A. There is.

Q. There are a number of clerks in that, I believe?—A. Quite a number.

Q. And also a head of the inspection department?—A. Yes, sir.

Q. Then there is the Third Assistant Postmaster-General, is not there?—A. There is.

Q. He has his appropriate duties and clerks under his charge?—A. He has.

Q. Then there is an Assistant Attorney-General specially for the Post-Office Department?—A. There is.

Q. To the heads of these bureaus, so far as you are concerned, acting as Postmaster-General, you looked to take care of the business of their bureaus, you holding them responsible for what took place under them, and they holding those under them responsible?—A. Mainly; they acted independently.

Q. State whether you did have, or whether it was possible in the performance of your duties to have, exact technical knowledge of all the fines that were imposed or remitted, the proofs concerning the same, and the bids that were filed on the ten or fifteen thousand different routes.—A. It is not possible.

Q. The official action and business of the Department is in the main, if not universally, a matter of record?—A. Yes, sir; it should be.

Q. You say you are not acquainted with all the clerks in the Department?—A. No.

Q. In reference to this \$9,000, or whatever was imposed by way of fine against Peterson, the proofs as to the fine or the application for a remission of it are, I suppose, on file in the Department?—A. All of them, I suppose.

Q. They should be there?—A. They should be there; they were, and, I suppose, are now.

Q. And so with other fines or deductions?—A. The proofs and records of all of those are on file in the Department.

Q. In reference to Kittle and his service in Texas, and Mr. Hopkins's report, this committee have never called for and never have had the records of the Department, or copies thereof, touching the same; are they upon file in the Department?—A. I suppose they are all there; they should be; there are so many that I have not a personal knowledge of every paper.

Q. You never have read them all over?—A. No, sir.

By the CHAIRMAN:

Q. Have you ever seen them at all?—A. A great many I have not.

By Mr. AINSWORTH:

Q. Have you ever seen any of them?—A. In the multiplicity of the business of that great Department, during the past two years, I am unable to say whether I have seen any particular paper.

Q. You cannot say whether you have seen any paper relative to the Kittle matters or the Hopkins report?—A. No, sir.

By Mr. CANNON:

Q. Have you knowledge of the regulations as to the performance of the mail-service? and, if so, state if it is not true that, under the regulations, fines and deductions are made upon proofs made such by the usages of the Department and by law; and state further whether the report of a special agent is, or is not, valuable only as it tends to elicit proof, it being no evidence in itself.—A. We consider special agents' reports generally information upon which to base action, if we think it best, on the regular reports coming to the office.

Q. The fines or forfeitures under a mail-contract are, under the regulations, imposed upon the certificates of postmasters at the termini of the route. Now, a special agent's report that the service was or was not performed, without reference to those certifi-

cates, would be taken into consideration by the Department as being some evidence for the Department to prosecute inquiries upon, but would not be evidence, of itself, on which you would make a fine?—A. If the evidence that it had or had not been performed was on file from the postmasters, we should be in duty bound to take that as evidence.

Q. In the absence of fraud?—A. In the absence of fraud.

Q. You spoke of Senator West coming to you in reference to a remission asked for by Peterson?—A. He showed me a telegram, and said he had no knowledge of the circumstances, and asked me what the telegram meant, and what he should say in reply.

Q. Your reply was that you could not act differently?—A. My reply was that the decision as originally made must stand.

Q. I believe you stated that you did not open up the decisions of former Postmaster-Generals?—A. No, sir; it has not been my practice to do so.

Q. Whether it was a decision of Mr. Creswell, or of Mr. Randall, or of Mr. Dennison, or the Postmaster-General that was in office at the time of the commencement of the war?—A. None of them.

Q. In reference to the prosecution of Mr. Hinds for alleged frauds in connection with mail-contracts, when he was indicted here, the trial was taken charge of by the district attorney?—A. Yes, sir.

Q. You are not a detective by profession?—A. I am not.

Q. And your connection with that matter was, I believe, of a general nature?—A. Entirely so.

Q. You desired, so far as you were concerned, to have guilty parties, as far as possible, prosecuted according to the law and the evidence, convicted, and punished?—A. Yes, sir.

Q. And to weed them out of the Department, if any were in it?—A. That was my desire and intention.

Q. As to the details about Mr. Kittle being used as evidence on the part of the Government, or some of these clerks, you know nothing?—A. I am not familiar with them at all.

Q. That matter of the fraudulent seal that was alleged to have been used by the aid of Kittle and Hinds, and the connivance of one or more clerks, occurred, I believe, while you were Postmaster-General?—A. Yes, sir.

By Mr. AINSWORTH :

Q. Was your attention ever called to the question as to whether a party who had been concerned in a fraudulent contract, or in the perpetration of frauds upon the Department, having associated with himself some innocent man, against whom nothing in the Department existed, as a partner, and he and the innocent man having applied for a contract, it should be granted to the partnership, or not?—A. A question similar to that came up last year, and it was referred to the Assistant Attorney-General as a matter of law; but I cannot tell how it was decided.

Q. Has not this rule been adopted in the Department, that if an innocent man was associated with those who had perpetrated frauds, the contract was given to those parties?—A. I am unable to state.

Q. State whether you did not award a contract to Laughlin & Race, although Laughlin appeared in the Department to have presented bids stamped with the fraudulent stamp, upon the ground that Race being an innocent party you could not reject those bids?—A. If I did, it was on the advice of the Assistant Attorney-General.

Q. Do not you remember that you did?—A. I think I did, and upon the advice of the Assistant Attorney-General. I think that is the fact.

Q. Under that advice, would the amount of interest which the innocent party had in the contract make any difference as to the action of the Department, if he was interested in it at all?—A. I should act on the advice of the Assistant Attorney-General, who was the proper officer to give me that advice in all such cases, as I was not myself a lawyer.

By the CHAIRMAN :

Q. And you did act on his advice in this instance?—A. I did in this instance.

By Mr. AINSWORTH :

Q. However erroneous the advice of the Assistant Attorney-General might be deemed by you, you would not feel it to be your duty to take the question to the Attorney-General, or your right to refuse to act upon it?—A. If I deemed the opinion of the Assistant Attorney-General of my Department erroneous or improper, and it was a matter of importance enough, I should dissent, and take it to the Attorney-General.

Q. Did you deem the decision just referred to by you correct, or did you deem it of too little importance to be further investigated?—A. Without any distinct recollection about it, I presume I was satisfied with it, inasmuch as the amount involved was not large, and I assented.

Q. The principle would not be affected by the amount, would it?—A. I am not a lawyer; I cannot go into those fine-spun theories.

Q. And you are not able to tell whether the rule of action in the Department is different where small amounts are involved than where large amounts are involved?—A. The Department has tried to exercise its common sense, and to be consistent and just in its decisions.

(Question repeated.)

A. I should not think the amount ought to affect the decision.

By the CHAIRMAN:

Q. When you were subpoenaed yesterday, were you Postmaster-General?—A. I sent my resignation to the President at four or five o'clock, and I got my subpoena later in the evening.

Q. Was your resignation voluntary or was it asked for?—A. The President intimated to me yesterday that my resignation would be agreeable to him, and I sent it to him.

Q. Are you aware that any charges have been brought against you as a reason why he should ask for your resignation?—A. I am not aware of that.

Q. Are you aware of any reasons why he should ask for your resignation?—A. I am not aware of any, but I must decline to answer questions on that topic.

Q. Has the President intimated to you any dereliction of your duties as Postmaster-General as a reason why you should resign?—A. I object to answering the question.

Q. I am not asking you questions about a Cabinet meeting or anything of that sort. Have you any information that any charges have been brought against you as the Postmaster-General that are a basis or a reason why your resignation was asked?—A. I have not.

Q. Then your resignation was not asked for, so far as you know, for any action as Postmaster-General?—A. I do not know that it was.

Q. But you have no intimation or personal knowledge of any charges against you?—A. I have no information of the kind.

Q. You do not know why your resignation was asked or anything about it, except that it was asked?—A. I have no information or knowledge about it.

WASHINGTON, D. C., *July 13, 1876.*

BOWMAN H. PETERSON sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. I reside in New Orleans.

Q. What has been your occupation?—A. Before the war I was a practicing physician. In the Army I was surgeon part of the time, and part of the time I was in the line on General Frank P. Blair's staff.

Q. Who was your immediate commanding officer?—A. At the time I was surgeon, General Morgan L. Smith; afterward I was with the Sixth Missouri Regiment, under Colonel Blood.

Q. At what time did your service as mail-contractor with the Government begin?—A. I think it commenced the first year of General Grant's administration.

Q. Who were the chief officers of the Post-Office Department at that time?—A. Mr. Creswell was the Postmaster-General; Mr. Earle was First Assistant, General Giles A. Smith was Second Assistant, and Mr. Terrell was, I think, Third Assistant Postmaster-General.

Q. What kind of contracts were they?—A. Some were for river-service and some were for land-service.

Q. State in what part of the country.—A. From Red River Landing, on the Mississippi River, to Shreveport, La.

Q. How did you obtain those contracts—as a regular bidder or otherwise?—A. The first contract I obtained was that from Red River Landing to Shreveport. I learned that there was going to be service put on the river, and I put in a written proposal to the Postmaster-General to carry it.

Q. Was there no mail-service previous to that time?—A. There was a land-service.

Q. There was no river-service?—A. No river-service.

Q. What kind of a proposition was it you made to the Postmaster-General?—A. It has been so long ago that I can scarcely remember; the propositions are on file in the Department. My impression is, however, that I proposed to carry the mail three times a week for \$44,000 or \$37,000, or somewhere in that neighborhood.

By Mr. AINSWORTH:

Q. Was that proposition in answer to an advertisement or not?—A. No, sir; it was not. The Postmaster-General can let routes on rivers without being advertised.

By the CHAIRMAN :

Q. How did you make that proposition—as owner, master or captain of a steamboat?—

A. I do not think I did. My proposition is on file. I was, at that time, a part owner of the steamboat Golden Era, which was in the Red River trade. I had a contract that I had made with the Government for carrying freight. They had advertised for proposals, and I was the lowest bidder, and I was interested in the steamboat Golden Era, which was at that time carrying this Government freight up Red River.

Q. Do you know whether there were any other applications for the same contract?—

A. Yes, sir; I believe there was one.

Q. By whom was that made?—A. I can't tell. That is also on file in the Department. I think it was from some gentleman living in Shreveport, whose name I do not remember.

Q. Do you know whether his bid was above or below yours?—A. He was below me in his proposition; then I made another proposition, which was under his.

Q. How did you come to make the second proposition?—A. Because his was lower than mine.

Q. How did you ascertain that fact?—A. It was public in the Department. Nothing of that kind was kept secret.

Q. After having ascertained the fact that his bid was lower than yours, then you filed the second proposition?—A. I suppose I filed a second proposition. You must remember it has been a long time since that occurred—nearly eight years—and all the papers in the case are on file in the Post-Office Department, in the contract-office, and they will be better evidence than my memory after such a lapse of time.

Q. How long did you continue that contract at that price?—A. I could not tell you that.

Q. Did you continue for some time?

The WITNESS. What year was General Grant inaugurated?

The CHAIRMAN. The 4th of March, 1869.

The WITNESS. I am not sure but what the contract was made some time in April, to commence the 1st of July, or else it was to commence somewhere about the 1st of May. I am not good at remembering dates; but all this thing is on record in the Post-Office Department. There will be no difficulty about finding out these facts.

Q. About how long did it continue—one year, two years, or longer, or shorter?—A. I think that contract continued two or three years, probably.

Q. To whom did the next contract go?—A. I could not tell you that.

Q. You did not have it?—A. Yes, I had that contract until it was let to Capt. George Kounts, of New Orleans. What date that was I cannot tell, but it was decided against me by Mr. Creswell, and I lost the contract. It was put up at public vendue in his office, and all the different steamboat-men were there and bid on it. I bid as low as I thought it could possibly be carried for, but Mr. Kounts bid under me, and he took it so low that he failed.

Q. I think he carried it two or three months; to whom was the contract let then?—

A. It was then annulled. He could not carry it, and William Pitt Kellogg, who was Senator at that time, to save General T. G. Price, of Missouri, who was the bondsman, went in and got the contract annulled.

Q. To whom was the contract given then?—A. The contract was taken off. It was not re-instated at all. Service was discontinued on the river altogether.

Q. What was done next in regard to the mail-service up Red River?—A. The Department then gave me a contract for service three times a week.

Q. You already had that?—A. Yes, sir; I had that contract for three times a week by land. I was the lowest bidder at the regular letting. All land-service is advertised. I had the contract by land from the mouth of Red River to Shreveport. The contract was in two parts then—from Red River Landing to Alexandria, and from Alexandria to Shreveport.

Q. You had both of those contracts?—A. Yes, sir.

Q. Were those contracts in existence at the time you had the contract on Red River, and also at the time Kounts had it?—A. Yes, sir; for twice a week, I think.

Q. The land-service was increased to three times a week?—A. Yes, sir; after the discontinuance of the river-service. They discontinued the river-service, and then several post-offices on the river were not supplied; the land-service could not supply them.

Q. Did that service extend from New Orleans to Shreveport?—A. No, sir; from Red River Landing to Shreveport.

Q. How was the contract let from New Orleans to the mouth of Red River?—A. That was at that time on route 8006, from New Orleans to Vicksburgh. That was a separate contract. Red River Landing was simply a small station for the Vicksburgh boats.

Q. Then there was no separate contract to carry the mails from New Orleans to Red River Landing?—A. No; not at that time.

Q. How long after that time before you had a contract to carry it to Red River Land-

ing?—A. When the service was increased to six times a week to Red River Landing then I had a contract to carry from New Orleans to Red River Landing.

Q. Was it six times a week from New Orleans to Red River Landing also?—A. Yes, sir; three times by the Vicksburgh boats, and three times a week by my contract, which made six times a week.

Q. Did you carry the mail six times a week from New Orleans to Red River Landing?—A. No, sir; I generally carried it three times a week, and the Vicksburgh boats carried it three times a week. The Vicksburgh boats, which were the Katie, the Natchez, and the Lee, had a contract from New Orleans to Vicksburgh, and part of the time I had that Vicksburgh and New Orleans contract, but I cannot give you the dates.

By Mr. CANNON:

Q. Your contract was independent of the New Orleans and Vicksburgh contract, which was three times a week, and your contract was three times a week from New Orleans to Red River Landing?—A. No. When the service was three times a week from Red River Landing to Vicksburgh I had no contract on the river unless it was a temporary contract from New Orleans to Vicksburgh. When the service was put on six times a week then I had a contract from New Orleans to Red River Landing for three times a week. I don't think that I had any interest in the New Orleans and Vicksburgh contract at that time. But you can get all these facts about these contracts from the Post-Office Department a great deal better than I can give them to you.

By the CHAIRMAN:

Q. I want to know, though, how you carried the mail from New Orleans to Red River Landing six times a week.—A. Three times a week by the Vicksburgh boats, which I hadn't anything to do with; the balance of the time by outside boats running in the Red River trade, the Wachita River trade, and running up Mississippi River.

Q. Were they regular lines of boats?—A. They were most always running. Some boat leaves New Orleans nearly every night in the week. I depended on the irregular boats for carrying it three times a week, and the other three times they were carried by the Vicksburgh line.

Q. Was the mail carried with regularity the other three times a week?—A. I think so, with quite as much regularity as mail can ever be carried on the river.

Q. You had a contract for carrying it three times a week from New Orleans to Red River?—A. Yes, sir.

Q. Did you not carry your mail three times a week on the regular packet-line from New Orleans to Vicksburgh?—A. No, sir; I did not. Probably it might have gone that way occasionally. The mail might have laid over a day in the city of New Orleans.

Q. What arrangement did you have with those packet-lines for carrying mail?—A. Which packet-lines?

Q. From New Orleans to Red River Landing. You did not carry the mail on your own boats?—A. No, sir.

Q. What price did you pay the other boats?—A. I paid any price I could get it done for.

Q. What was the price?—A. Sometimes five, and sometimes ten, fifteen, twenty, and sometimes twenty-five dollars a trip. I always made the best bargain I could.

Q. Did you have no regular bargain for carrying for any space of time?—A. No, sir.

Q. You made a contract for each trip?—A. I had my agent there, Mr. Frank Schroeder, who attended to it.

Q. Would you take the mail from the post-office and go down and hunt up a boat to carry it up the river each time, three times a week?—A. Yes, sir.

Q. There being no regular line of boats?—A. There being no regular line of boats. There was a large number of boats running up the Red River and Wachita. I think there were about seventeen or eighteen in the Red River trade, and seven or eight in the Wachita trade, and there were boats running in the Atchafalaya trade running to Opelousas and Washington.

By Mr. AINSWORTH:

Q. Did any person go in charge of these transient mails?—A. No; there was no route-agent on that route.

By Mr. SLEMONS:

Q. Did you supply any post-offices on the route between New Orleans and Red River Landing?—A. No, sir; it was to supply that one office at Red River Landing, and to supply the service between Red River Landing and Shreveport.

By the CHAIRMAN:

Q. So you had a contract for carrying mail three times a week from New Orleans to Red River Landing, but you had no contract for carrying with any particular boats?—A. No, sir.

Q. Were you ever interrogated by the officers of the Department about the manner in which you carried the mail there?—A. I do not remember of it.

Q. Were any fines and deductions made for the non-performance of the service on that part of the route?—A. Yes, sir; that was a very frequent occurrence.

Q. How was that non-performance ascertained?—A. It was ascertained by the reports of the postmasters.

Q. At what points?—A. I suppose at Red River Landing and at New Orleans.

Q. How long did that service continue daily from Red River Landing to Shreveport; did it continue until the contract expired?—A. Yes, sir; it continued until the 1st of July, 1875.

Q. And the supply during all that time was made in the same way?—A. Yes, sir. Sometimes when the water was low in Red River, I do not suppose the supply was quite so regular as it was during high water and when the boats were running comfortably.

Q. Before there was a service of six times a week by land up Red River there was no separate contract to Red River Landing from New Orleans?—A. No, sir.

Q. How did it happen that a contract was then made to carry the mails three times a week from New Orleans?—A. In this way: the service was increased to six times a week from Red River Landing to Shreveport, and after it was so increased it was found that there was only three-times-a-week service to the mouth of Red River; and so in order to make six-times-a-week service they had to give out another contract from New Orleans, and I took it at a very trifling amount—I think it was \$5,750 a year. To do that service and put on good running boats, and run for the mail alone—take the whole year through—it is worth a large sum of money.

Q. Much larger, you think, than you got?—A. Much larger than I got—yes; I offered to do it for \$24,500, and I was very thankful when Mr. Jewell ruled me out.

Q. How did it happen that you took a contract for much less than it was worth?—A. Simply because I could depend upon temporary boats to carry the mail.

Q. Was that the arrangement when you took the contract, that you were to depend on temporary boats?—A. No; the Department never makes any arrangements of that kind.

Q. Was there no grumbling from the Department about that way of carrying the mail, or was the Department aware of it?—A. The Department was aware, of course, that the mail was carried in that way.

Q. You say you were never written to or asked any questions about it by the Department?—A. Not that I remember. If so, the letters are on file in the Department.

Q. What were the fines and deductions on that route from New Orleans made for?—A. The deductions were made for non-performance of the service and irregularity.

Q. What were the fines for?—A. The fines were for the same thing—for failing to comply with the contract.

Q. Do you remember whether those fines were large or small?—A. No; I do not on that route. It is a very easy matter for you to find that out.

Q. During the first part of that contract were the fines and deductions as heavy as they were during the latter years of your contract?—A. No; I don't think they were.

Q. What was the cause of that? Did you perform the service better?—A. No; I don't know that that was the cause of it. I think it was because Mr. Jewell made up his mind to go for me on general principles.

Q. What reason was there for that?—A. The only reason, probably, was that we had a little unpleasantness.

Q. Unpleasantness about contracts?—A. No; about another matter. I can't answer any more on that.

Q. Do the committee understand you to say that Mr. Jewell was going for you on your mail-contracts because he had an unpleasantness with you about something else?—A. I think so.

Q. And that he had fines entered against you that ought not to have been?—A. Yes, sir; I think so. I think Mr. Jewell has treated me very unfairly and very unjustly.

Q. Unfairly and unjustly in the matter of these fines?—A. Yes, sir.

Q. State why.—A. I think when a man acts partially he act unfairly.

Q. Tell us how he acted partially in that matter.—A. Wherever I was the lowest bidder on any service on river-routes, he refused to let the contracts; he has curtailed my routes on land-service wherever he thought there was any profit, and on routes where he thought I had any profit he has discontinued them.

Q. Do you mean to say that he has curtailed service and discontinued routes that you had without any particular reason?—A. I think so.

Q. What routes do you allude to?—A. He curtailed the land-route from Red River Landing to Shreveport, which was advertised for six times a week, and I bid on it \$30,000. It is nearly three hundred miles in length. It is a hard route, has a great many streams to cross, and the expenses of running the route are very heavy. All my feed has to be bought in the city of New Orleans, and I have to boat it up the river, and then after boating it up I have to pay cartage. At six times a week there would be a little profit in the route, because it only takes about the same number of drivers, hostlers, &c., as for three times a week; there is a very slight difference; but when it comes down to three times a week it takes all my profit off.

Q. Did he cut down your pay?—A. Yes, sir; it was cut down one half—\$15,000.

Q. Do you say that was done in regard to other routes of yours?—A. Yes, sir; on other routes of mine.

Q. Did you ever have anything to say with Mr. Jewell in regard to his reasons for doing so?—A. Yes, sir; I had two or three interviews with him.

Q. What did he tell you were his reasons for so doing?—A. He said a fellow by the name of Peterson was controlling too many contracts.

Q. Was that the only reason he gave?—A. I don't know; he may have given other reasons, if I can think of them.

Q. I would like to know all about it.—A. He said a fellow by the name of Peterson, who lived in Philadelphia, was controlling all the contracts on the Mississippi River, and he didn't propose he should do it hereafter.

Q. Did he mean you?—A. He meant me. He didn't know at the time he made the remark that I was that Peterson.

Q. He did not know which Peterson you were?—A. No, sir.

Q. He gave that as a reason why he cut down the land-service and the other also?—A. Yes, sir.

By Mr. AINSWORTH:

Q. Was he talking to you at the time?—A. He was talking to me at the time.

By the CHAIRMAN:

Q. What reply did you make to him when he said that?—A. I don't remember now what my reply was.

Q. Was that the only reason he gave?—A. I think that was the only reason he gave me at that time.

Q. Did he give you any other reason at any other time?—A. No; we had one interview afterward, which was not of a very pleasant character, but I don't think he gave me any reason at that time.

Q. Was that interview in regard to contracts also?—A. I think it was partially in regard to contracts.

Q. Why was that interview of an unpleasant character?—A. That is more of a personal matter. Part of it hadn't anything to do with the Post-Office Department at all.

Q. Why was the interview of an unpleasant character; had he any charges against you in regard to your contracts?—A. I think I went to him on that day about some deductions and fines that he had imposed upon me, if I remember correctly, and during this interview we had some words.

Q. You wanted the deductions and fines remitted?—A. No, sir; I wanted the fines remitted. I didn't ask the deductions to be remitted.

Q. Did he refuse to remit the fines?—A. He refused.

Q. You thought the fines ought to be remitted?—A. I thought the fines ought to be remitted.

Q. What reason did he give to you why he could not remit the fines?—A. The fines were for non-performance of service.

Q. What route was that fine on?—A. I don't know whether it was on the route from Vicksburgh to White River, or from Red River to New Orleans. I think probably it might have been from both.

Q. I understand you to say your service has been decreased very much under Mr. Jewell's administration?—A. Yes, sir. I think it was about March, of last year, that I was eating dinner at Willard's Hotel one day, when a gentleman sent for me to come out in the other room. I said I would be out presently. I went out, and he brought me a written resolution, which he stated that Mr. Stone, of Missouri, intended to introduce that afternoon or the next day. This party wanted to know if I wanted it stopped. I told him that if Mr. Stone wanted that information the best thing he could do was to introduce the resolution. Mr. Stone did not introduce the resolution; but I learned that he gave it to Mr. Atkins, who did introduce it, last year.

Q. When did this occur?—A. It occurred the session of Congress before this, and a short time before the adjournment. A copy of the resolution will be found in the Congressional Record.

Q. What was the resolution about?—A. About mail-service on the river. The resolution was brought to me by a Mr. Pendleton, who had been dismissed from the Post-Office Department as special agent or route-agent, and a man by the name of Dr. Burns. I don't know whether he was a doctor or not. I think that letter was afterward published in the New York Sun. The Sun had been abusing me for a long time, and I think Mr. Jewell went into the office prejudiced against me. He said he didn't read the New York Sun, but I imagine that he got his information from it. I think that was the first cause of prejudice of Mr. Jewell.

Q. You think the Sun was, or the resolution? I do not understand the connection.—A. I think the New York Sun was. I think the resolution was published in it. There were a great many articles published in it from information furnished, I think, by Mr. Holbrook, formerly a clerk in the Department.

Q. I suppose you just understood that from the rumor in regard to it?—A. Probably.

Q. What had the resolution to do with Mr. Jewell in that connection?—A. Mr. Jewell spoke to me about that resolution. I told him I supposed it was an attempt to black-mail me. It undoubtedly was. It is generally customary among the class of men who hang around this town, when they want to black-mail a mail-contractor, to get up a resolution and get some member of Congress to introduce it, and then threaten the contractor that the resolution will be introduced unless the contractor satisfies them and pays them not to have it introduced.

Q. You did not pay anything?—A. No, sir; I did not. I told them to introduce it.

Q. Did the resolution refer to your contracts particularly?—A. Yes, sir; my contracts on the Mississippi River particularly.

Q. Was there an investigation at that time pending before any committee in regard to them?—A. I believe so. I think there have been three or four investigations, year after year.

Q. Governor Jewell spoke to you about that resolution, and you told him that it was an attempt to black-mail you? How did he happen to speak to you about that?—A. I don't know. It was discussed in the Department.

Q. Was that the time you had an unpleasant interview with him?—A. I think so; I cannot be positive, because I am not good at remembering dates; I can remember facts pretty well sometimes; but it is my impression that the cause of Mr. Jewell's persecution of me was those publications.

Q. How long did you own an interest in the steamboat Golden Era?—A. I don't know. I owned an interest in her until she sunk. I don't remember how long that was.

Q. You do not know when she sunk?—A. No; I could not tell you.

Q. What trade did she run in?—A. The Red River trade.

Q. Was she a mail-boat?—A. We carried mail on her the same as on other boats; she was not properly a mail-boat. There were never any route-agents on Red River.

Q. You just made a contract for carrying the mail on any boat that went up the river without regard to regular trips?—A. No; I very rarely missed a trip on Red River.

Q. Did you have no contract with any boat to carry mail on that river?—A. Yes, sir; at one time they organized a company there, and I made a contract with them.

Q. For what did they carry that mail for you?—A. I don't know. I have the papers but I could not tell you from memory. It may be \$150 a week, or \$50 a trip. Of course, I made the best bargain that I could.

Q. We have had some evidence before this committee about a number of steamboatmen on the Lower Mississippi River notifying the Department in a letter that you were their agent, and that the Government must contract through you to carry the mail for them. Was that the fact?—A. O, yes; I held their powers of attorney.

Q. What was the arrangement about those powers of attorney?

The WITNESS. What do you mean?

The CHAIRMAN. I mean if you got a contract under that power of attorney, what were they to carry the mail for, and what were you to get; in whose name was the contract to be, and all about it?

A. In one arrangement my name was put in the contract, I think.

Q. They owned the boats?—A. They owned the boats; yes, sir.

Q. How did it happen that they made you the instrument in the matter?—A. I don't know, unless they thought I was a pretty good business man. I had that reputation.

Q. What representations did you make to induce them to believe you were a good business man?—A. I never made any representations to them.

Q. They were business men, and I suppose they must have had some assurance in some way.—A. There never has been any unity among steamboatmen on Red River. They never could pull together.

Q. I am alluding now to the Mississippi River.—A. I don't know that I made any representations to them. I don't remember it if I did; probably I did. I might have said to them that I understood this matter. I had made it my specialty.

Q. What part of the contract were you to get in case the contract was let? Were you to get a share in the contract?—A. I don't know. In one arrangement which went through, I remember I was to have \$10,000.

Q. On which contract was that?—A. That was on the Red River contract; on the Vicksburgh contract, whatever pay I got was very small. I think three or four thousand dollars a year, probably.

Q. You say you made no representations to them that you can think of which induced them to employ you?—A. I don't remember any, unless it was that I was in the business, and knew all about the laws and regulations of the Post-Office Department.

Q. Did you make representations to them that they could not get contracts here unless they got them through you?—A. No, sir; I did not.

Q. What representations did you make to them?—A. I told you that the only one I

remember, and the only one I imagine that I could have made, was my general information in regard to post-office business and its laws and regulations. I had made that a study and a specialty just the same as a steamboatman would make his boat a study.

Q. You refer to the laws of the Post-Office Department and its regulations in regard to mail-lettings?—A. Yes, sir; and everything of that sort.

Q. Had you any facilities in getting contracts over and above anybody else?—A. No, sir.

Q. Were you to get no pay when you got no contract?—A. If I didn't get a contract I was to have no pay, of course.

Q. Did you make any representations to them that you were an old friend and acquaintance of any officer in the Department, and for that reason would have facilities in being heard, or anything of that kind?—A. I don't know; I may have done that; it was very natural that I should have done that; very probably I did do that.

Q. You say you were familiar with the postal regulations. Do you think it was in accordance with the postal regulations to go into a combination of that character for the purpose of shutting out everybody else from getting contracts?—A. My dear sir, I never went into a combination.

Q. What would you call it, then?—A. If you three gentlemen here make me your agent to get you a mail-contract, that is no combination; at least I don't so understand it.

Q. If we three gentlemen own all the boats on the river, and state to the Department that we will not contract except through you, you would not consider that a combination?—A. Not by any means. There is no combination with the Post-Office Department in that. They have a right to say who shall be their agent, and who shall act for them.

Q. The contract was to be let to you, I understand?—A. I could either take it in my own name or in their names.

Q. Did you not get up those powers of attorney for these parties for the purpose of controlling that river, so that you could, in other words, name your own terms with the Department?—A. No, sir.

Q. What was the object of it, then?—A. The object was so that I could show the Department that I had a sufficient number of boats to carry the mail.

Q. That was your only object?—A. Yes, sir; I think so. I suppose that was my object.

Q. It was not for the purpose of forcing the Department into a contract with you?—A. No, sir; because there were other parties had boats. Kounts had boats, and Mr. Creswell let the contract to Kounts in preference to me, because he was the lowest bidder.

Q. That was on Red River?—A. Yes, sir.

WASHINGTON, D. C., July 14, 1876.

Continuation of testimony of B. H. PETERSON.

The last two questions and answers having been read, the examination was continued as follows:

By Mr. AINSWORTH:

Q. That was after the time you came here as representative of the different lines for which you held powers of attorney?—A. I almost always held those powers of attorney. I held those powers of attorney all the time.

Q. But at one of the lettings you were here representing every line which had boats that could perform the service required by those contracts, were you not?—A. No; Mr. Creswell decided that Captain Kounts represented enough boats, and he ruled everybody else out, except Kounts and myself, because the other parties had no boats, except Capt. George F. Brott, who had one boat; and Mr. Creswell decided that one boat was not sufficient to carry the mail on Red River.

Q. What did Kounts get?—A. I don't know. I think he got \$15,000, probably.

Q. I mean what service did he get?—A. He got that service on Red River, and then he got the service on the Vicksburgh route from New Orleans, or at about the same time, or within probably two or three weeks.

Q. And at that letting what did you get?—A. I don't know. I don't think I got anything. That all appears in the Department.

Q. What I wish to ascertain is this: Previous to that time had you not appeared here representing the lines which were competent to carry that mail, and you had the entire contract?—A. I had the entire contract at one time for carrying the mail up Red River.

Q. Did you not represent all the boats at that time which were competent to carry the mail there?—A. I am not sure of that.

Q. Is not this the fact with reference to that, that subsequently they let the contract in pieces; that is, they let a portion of the service to Kounts, a portion to another man there, and you performed a part of it, so that it was let in three different portions?—

A. I represented the steamboats Robert E. Lee, the Katie, and the Natchez. I was their authorized agent to contract in their name with the Department for carrying the mail for them. They sent me here for that purpose. The contract was awarded to George Kounts at a less price than the steamboat company authorized me to take it for them. I think Kounts got twenty-nine thousand and some hundred dollars for carrying it. If I remember correctly they authorized me to contract at \$30,000. Cannon and White accepted the contract under Kounts. There was some pressure brought to bear and they accepted it; but Leathers would not accept it, and would not carry the mail, so there was a separate contract made with Leathers for the mail leaving New Orleans on Saturdays. That is as near as I can remember it.

Q. Have you any recollection of the New Orleans and the Saint Francisville mail route?—A. Yes, sir; I was contractor on that at one time.

Q. Do you remember of that route being let to Jacob A. Pulver?—A. No, I don't remember it. I know it was let to somebody, but to whom I don't know. That is also a matter of record. You can find these things out, and it will be much better than my memory. Then I had a temporary contract on that route before the regular letting, if I am not mistaken, at \$16,000.

Q. Had you not at that time the control of all the boats which could carry the mail over that route?—A. No; I don't think I had any control at all.

Q. You were not the agent of them?—A. I think not. What year was that?

Mr. AINSWORTH. 1871.

A. No; I don't think I was the agent. I think Tobin was the party that carried the mail.

Q. In 1872 what boats did you represent?—A. I could not tell you that.

Q. Did you represent the Memphis and Saint Louis mail-packets?—A. Yes, sir.

Q. You represented the steamers Heasley and Marcella?—A. I think not. I don't remember it. The Marcella used to run in the Yazoo trade. She afterward run in the lower river trade.

Q. Did you represent the Robert E. Lee?—A. Yes, sir; the Lee was Cannon's boat; the Natchez was Leathers's boat, and the Katie was Captain White's.

Q. To whom did the Frank Pargoud belong?—A. That was Tobin's boat.

Q. And then you represented the La Belle, the Lotus No. 3, and the Durfee?—A. I think they were all in Red River. I represented all those.

Q. What interest, if any, had you in those boats, as owner or otherwise?—A. In those boats I didn't have any interest as owner.

Q. What was the object of your representing so many boats; to prevent competition?—A. I don't know about that. The Department said, "You must have a certain number of boats before you can get a contract; you must show that you can carry the mail."

Q. Did it require all those boats to carry the mail on Red River?—A. Yes, sir; and sometimes a good many more.

Q. All those boats were used in performing that service?—A. I think they had fifteen or sixteen boats in that service. I don't remember how many I represented. There was no regular line on Red River. It is not like a line of boats where they leave and arrive at certain stated times. Sometimes they would be running and sometimes they would not.

Q. Then the object was not to prevent competition, but to secure the faithful performance of the service?—A. I think that was it; yes, sir.

Q. What compensation did you receive for the service, or in what manner was the compensation divided between you and the owners of the boats?—A. Part of the time there was a company, and then I think I gave them \$50 a trip. I have the agreements, but not with me, and I cannot give you the exact terms. Sometimes it was less than that, and sometimes I think I paid as much as \$100 a trip.

Q. They were not known in the contracts, were they?—A. No, sir. I was the contractor.

Q. Have you ever known the Memphis and Vicksburgh Packet Company?—A. O, yes; Captain Scudder was the president.

Q. Do you know George W. Cheek?—A. Very well.

Q. Did you have anything to do with obtaining the special contract for carrying the mail by him upon his boats?—A. I don't think there ever was a special contract with Cheek. If there was, it is a matter of record. You can find out whether there was a special contract, and then I will tell you what I had to do with it.

Q. Do you know anything of the Saint Louis Packet Company having carried the mails from Memphis to the mouth of White River?—A. I think they carried the mail there. They carried it from White River to Vicksburgh. I think my brother was the contractor for part of the time in contract No. 7505, and I was part of the time; and I think that Cheek and myself were the contractors in 7504.

Q. What, if anything, was the arrangement between you and Cheek previous to the time of obtaining contract No. 7504 as to the distribution of the proceeds?—A. I think this was the arrangement, if I remember correctly: We agreed with the Department to carry that mail, and be paid at whatever price it was awarded at at the regular letting.

Q. Had you, prior to the time of the letting, an interview with Mr. Cheek?—A. Undoubtedly I had, or else we would not have had any arrangement about it.

Q. In that interview was there an agreement that you were to have 15 per cent. of the pay and he to perform the service?—A. I could not tell you that. I could not say what the bargain was; but I do not think that there was any agreement of that kind.

Q. What do you think the agreement between you was?—A. I think it was that I was to have one-third.

Q. Had you any interest whatever in the boats at that time?—A. None at all.

Q. Were you, previous to that letting, representing the Saint Louis Packet Company?—A. I think so.

Q. Was the contract let to them for carrying that mail previous to Cheek's obtaining it?—A. I don't remember about that.

Q. Do you remember of its having been carried by the Saint Louis Packet Company after having been let to a man whom you pronounced a myth when Mr. Cheek inquired of you in reference to him?—A. I might possibly have told him that and have got the information from the Department.

Q. Was that true?—A. I only know what I got from the Department.

Q. What compensation were you to receive from the Saint Louis Packet Company?—A. I don't remember exactly what. I don't remember anything about it on that route. Do you mean between Memphis and White River, or between White River and Vicksburgh?

Mr. AINSWORTH. Between Memphis and the mouth of White River.

A. I don't remember what it was. I do remember what it was between White River and Vicksburgh, though.

Q. When did you first form the acquaintance of Cheek?—A. I could not tell you the date.

Q. Did you not, just previous to the making of that contract, take a letter of introduction from Governor Alcorn to Cheek, which letter represented you as a valuable man for him to associate with?—A. I don't know; probably I did; I don't remember that fact, but I will not say that I did not.

Q. Did you not, at that time, represent to Mr. Cheek that you were to receive 10 per cent. from the Saint Louis Packet Company, and that you would obtain a contract for him for 15 per cent. of the pay?—A. I don't believe I did.

Q. Had you any means of obtaining a contract which Mr. Cheek or any other person would not have had?—A. None at all.

Q. You had no influence at the Department other than any other person?—A. Not at all, except that I was here, and always on the alert looking out for these things.

Q. That would not affect your offer, would it?—A. O, no. If any offer was made, it is on record in the Department.

Q. The fact of your being here would not affect the letting?—A. Not at all.

Q. You would be no more liable to get a contract by being here than if you were absent?—A. No, sir; not at all.

Q. You possessed no advantage over bidders who were not here?—A. No, sir; none at all.

Q. There were no persons of influence here who were assisting you?—A. No, sir; not in the least. I could find out, if I went to the Department, about the service in which I was contractor, as any member of Congress or anybody else can do.

Q. What were the reasons for Governor Alcorn giving you the letter of introduction to Cheek, if you remember?—A. I do not remember anything about the letter. I suppose that if Governor Alcorn gave me the letter, I must have asked him for it, but I do not remember it.

Q. Do you not remember going to him and introducing yourself to him?—A. I went there to see him and saw him. I remember that the first time I met him was on the bluff, and I went up and introduced myself to him.

Q. You think that the terms of the agreement between Cheek and you were that if the contract was obtained and he carried the mail, you were to have one-third of the pay?—A. That is my impression.

Q. What services were you to render for that?—A. We were to go in together and work for the contract, work to get it.

Q. Who was to render the service?—A. Cheek's line of boats was to perform the service between Memphis and White River.

Q. Were you to do anything in the performance of the service?—A. No, sir; I was not to do anything at all. I was to look after the mail and to attend to the business generally.

Q. To look after the mail there?—A. Yes, sir; and to look after the mail interest

here in Washington. I acted in the capacity not only of a partner but as agent. Every contractor almost has an agent here to attend to his business. Sometimes, in fact nearly always, it is a member of Congress; although I never had any member of Congress to attend to my business.

Q. What service did you perform for the one-third you received?—A. I looked after the pay and the interests generally.

Q. You drew the pay and divided it between yourself and him?—A. Yes, sir; part of the time I drew, and sometimes he drew it.

Q. What other services did you render?—A. I am not aware of any others, except—

Q. Did you spend any time on the river?—A. Yes, sir. I used to go up and down the river occasionally to see how the mail was running.

Q. Do you remember of a letting in 1872 for the carrying of the mail from Memphis to the mouth of White River, 180 miles, at \$21,500?—A. Yes, sir. I can't tell you whether it was in 1872 or not, but I remember the letting of that contract.

Q. That was No. 7504?—A. Yes, sir. I think Captain Cheek and I bid for the contract in our own names if I am not mistaken—George W. Cheek and B. H. Peterson. I am not positive of this, however.

Q. For what price had you been carrying the mail previous to that?—A. The agreement was that we were to get from the Department whatever price was paid at the regular letting for that mail.

Q. There had been a bid in 1871 for \$7,400, had there not?—A. I don't remember that. It was no bid of mine.

Q. Nor of Cheek's?—A. That I can't say anything about.

Q. Do you remember the circumstance of a consultation by yourself with the Postmaster-General and others here regarding that contract at \$21,500?—A. No; I do not.

Q. You remember no difficulty in obtaining the contract?—A. I think not. I think we were the lowest bidders at that time.

Q. No objection was made by the Department to the price that you bid?—A. I think probably some one said that the price was high, but they had had a great deal of difficulty in letting the route for the service on that river.

Q. Do you not know that you made several visits to the Department for the purpose of urging the acceptance of your contract at \$21,500?—A. I don't believe I did. I don't remember of having done so, because that is not considered necessary where you are the lowest bidder.

Q. Did not the Postmaster-General ask you to reduce it?—A. Probably he might. I don't remember.

Q. Did you not take Governor Alcorn and Senator West to the Department to urge that it be let to you at that price?—A. I don't believe I did; possibly I might; I had so many contracts, and was here, there, and almost everywhere, so that I cannot remember all these little things. It would have been perfectly proper, however, if I had done so.

Q. Did you and Cheek have an interview with reference to the amount at which that bid should be put in here in Washington—he proposing to put in a bid at \$18,000, and you urging \$21,500, upon the ground that you could get that?—A. That I don't remember. I think it was just as easy to get \$21,500 as it was to get \$18,000.

Q. Did you make up that bid after a conference with Mr. Routt, Second Assistant Postmaster-General?—A. No, sir; emphatically no.

Q. He gave you no figures or estimates?—A. No, sir; none whatever.

Q. Did you have any conversation with Mr. Routt as to the letting of the contract?—A. I do not remember of having any at all.

Q. You remember none with Governor Alcorn?—A. No; I don't remember of having any with Governor Alcorn at all, although he may probably have gone to the Post-Office Department. Mr. Alcorn, however, was never really a friend of Cheek. He was always a friend of Captain Lee's boat.

Q. Governor Alcorn was a friend of yours, was he not?—A. He was a friend of mine as almost any other gentleman is that knows me but a short time.

Q. If he is not particularly friendly to you, and is not a friend of Cheek's, state why, in your opinion, he gave you a letter advising Cheek to associate with you?—A. I don't remember of having any letter of introduction, as I said before. I suppose if he gave me a letter I asked for it, but I don't remember that he ever gave me the letter. If Captain Cheek says that Governor Alcorn did give me a letter there is no question about it, but I don't remember it.

Q. Do you know a man named Thornton having a contract for carrying the mail by the Memphis and Saint Louis Packet Company?

The WITNESS. Was he the lowest bidder from Vicksburgh to White River?

Mr. AINSWORTH. No; he was the lowest bidder from Memphis to White River.

A. No; I don't know anything about him. What was the man's name that had the contract from Vicksburgh to White River? I think that was Thornton. The only reason why I think it was from Vicksburgh to White River is that I remember he called

upon me one day, and I met him two or three times afterward in the car. He had some contracts in Florida also, I think.

Q. Were there any fines or deductions made or imposed upon you in connection with any of these river-routes?—A. O, yes.

Q. State what steps you took regarding them after they were imposed to obtain their remission.—A. I don't remember of ever having obtained the remission of any fines.

Q. Did you ever make any application for the remission of any?—A. I cannot tell previous to Mr. Jewell's administration. If I did make any applications they are all on record.

Q. You think none were remitted previous to Mr. Jewell's administration?—A. I can't tell; but that is a question of record, and you can easily find out, and that will be better evidence than my memory.

Q. You have no recollection regarding it?—A. No; except the larger ones.

Q. Since the beginning of Mr. Jewell's administration, have you any knowledge of any investigation of your mail-contracts there?—A. Yes, sir; I think there have been two or three investigations by Congress.

Q. I mean in the Department.—A. Yes, sir; Mr. Jewell deducted me and fined me very heavily.

Q. Do you know what clerks conducted the investigations?—A. I do not.

Q. You know none of them?—A. I have not the least idea in the world who they were.

Q. Had you any acquaintance with any of the clerks who were conducting the investigations?—A. I may possibly have had some acquaintance, but I do not know who they were that made the investigations.

Q. You never knew who they were?—A. No; and I don't know yet.

Q. Were you acquainted with Mr. Woodward?—A. I have no personal knowledge of Mr. Woodward—at least, I have no acquaintance with him; I simply know him by sight. I believe I met him once or twice in the Postmaster-General's room.

Q. Did you know Mr. French, who was Acting Second Assistant Postmaster-General?—A. Yes, sir; I have known him very well ever since he has been chief clerk of the Department. I did not know him previous to that.

Q. Did you ever have any interview with him about your contract?—A. I expect I have; very naturally, I would go to the chief clerk for that purpose.

Q. Had you any means of approaching him which other contractors had not?—A. None at all; not in the least.

Q. Did you know Mr. Holbrook, who was a clerk there at one time?—A. I knew him very well.

Q. You knew Mr. Routt very well?—A. Yes, sir.

Q. You knew Secretary Belknap?—A. Very well; yes, sir.

Q. Did Secretary Belknap ever visit the Department with you?—A. Never.

Q. Did he ever introduce you to any of the officers of the Department?—A. Only by letter of introduction to Governor Jewell. There has been a great deal said about it, and I will explain. I was up at the Secretary's one evening, I think, a short time after Governor Jewell was appointed Postmaster-General. Mr. Belknap said, "Do you know Governor Jewell?" I said, "No." He said, "I will give you a letter to him;" and he sat down and wrote me just an ordinary letter of introduction.

Q. He did not go with you and introduce you?—A. No, sir; he has never, directly or indirectly, in any way, shape, or form, since he has been Secretary of War, done me a favor except once, and that was one that I had no pecuniary interest in. The Department here had taken all the purchasing of supplies from the city of New Orleans and sent them up to Saint Louis. I knew that we could sell goods cheaper in New Orleans than they could in Saint Louis, and so I got up facts, figures, and statistics in regard to it, and after some time the Secretary of War ordered that the most of the articles should be purchased in New Orleans—a thing that I had no pecuniary interest in whatever, and never made a cent out of it in one way or the other.

Q. Did you make any complaints to Postmaster-General Jewell against Mr. Holbrook?—A. I did.

Q. Was that during the time the investigation of your affairs was going on?—A. I think I can tell you pretty nearly the time when that was. If you can tell me when Governor Jewell came into office, I think I can locate pretty nearly the time that I made the complaint.

Mr. CANNON. I think Mr. Jewell went into the Department somewhere about September or October.

The WITNESS. I think I made the complaint against Mr. Holbrook about two or three weeks, or it might have been a month, after Governor Jewell took charge of the office.

By Mr. AINSWORTH:

Q. What was the complaint?

The WITNESS. Do you want me to give you a history of it?

Mr. AINSWORTH. I want you to give me the complaint you made to Governor Jewell in regard to Holbrook, not the history; I do not ask for the cause of the complaint.

State the substance of what you stated to Governor Jewell.—A. This was about two or three weeks after I took the letter of introduction from Mr. Belknap to Governor Jewell. I went into the Postmaster-General's room and inquired something about the river-service. When I commenced to speak about it I consider that Governor Jewell grossly insulted me, which he would not have done if he had not been Postmaster-General. He said a fellow living in Philadelphia by the name of Peterson controlled all the contracts on the Mississippi. I said, "Governor Jewell, I am that person, and evidently you read the New York Sun, as the New York Sun used the same language toward me." I then told him that a man in the Department—and at the time I could not remember Holbrook's name—furnished Mr. Gibson, the reporter of the New York Sun, with all these slanders against the Department and against Mr. Creswell and myself and other parties. He said, "Who is the man?" I could not think of Holbrook's name at the time. I said, "I will tell you if I can think of it." He said, "No, do not tell me publicly, but just write it." I went into Mr. Marsh's office, I think, next door, or probably into Mr. McGrew's office, and got Holbrook's name and handed it to Governor Jewell. Holbrook's enmity for me commenced when he was special agent.

Q. I am not asking that.—A. That is what took place.

Mr. CANNON. If you told the Postmaster-General about that, state it.

The WITNESS. I told the Postmaster-General.

By Mr. AINSWORTH:

Q. State what you told him.—A. I told the Postmaster-General that when Holbrook was a special agent of the Department in New Orleans he laid drunk day after day. He was dead-drunk in the post-office, and they locked him up and left him drunk until morning. He borrowed money of me at that time, which he afterward returned. I saw nothing of Holbrook then until after he came up here. I used to see him while he was there. I do not remember how long he was there; but one day, in the hall of the post-office, right in front of his door, he asked me to loan him some money—I believe \$50. I loaned it to him, and he afterward paid it back. In a few days after that I was talking with Huntley. We were talking about blackmailing and things of that kind, and he asked me if Holbrook had been to me for money. I said, "Yes." He said, "If you continue to loan him money, you will have to do it all the time." A few days afterward I met Holbrook in the hall again, and he asked me for money. I said, "I haven't it." He said, "Probably you can borrow it for me." I said, "I do not know who I can borrow it from." He said, "Maybe you can borrow it from General Smith." So I went in and said to General Smith, "I want to borrow some money for Holbrook." He says, "I haven't got any money to lend." I saw Holbrook and told him that I could not borrow it. Then Holbrook accused me of preventing his promotion. He said that I came up here and reported that he was drunk in the city of New Orleans; which I did not.

By the CHAIRMAN:

Q. This was afterward?—A. I am simply detailing the conversation that I had with Governor Jewell. When I came up here I was in General Smith's room, and he said, "I hear certain reports about Holbrook; that he has been drinking, and otherwise acting badly in New Orleans. I said, "General Smith, do not ask me anything about it; you have other sources to find out these things from." From that time Mr. Holbrook commenced these attacks upon me; he never did before. I told the whole thing to Governor Jewell.

By Mr. AINSWORTH:

Q. Your complaint to Governor Jewell was that Holbrook was furnishing data to newspapers for the purpose of breaking you down?—A. Yes, sir; and the things that he was furnishing were lies of the basest sort. I was told by other contractors that he was—

Mr. AINSWORTH. I am not asking for that.

Mr. CANNON. If you told Governor Jewell that, you can state it.

A. I did not tell that to Governor Jewell. That is all the conversation I had with Governor Jewell.

By Mr. AINSWORTH:

Q. When Holbrook was at New Orleans was he there investigating your conduct?—A. No, I think not. I never knew it, if he was.

Q. Did you not know that he was there generally investigating any irregularities in the service?—A. I think he was there on the money-order business. The money-order agent never interferes with anything else. That is his line of duty, and he attends to that. I think that was Holbrook's business, but I think he was so drunk all the time he was there that he did not attend to any business except drinking whisky.

Q. Do you know that he did not discharge all the duties he was sent there to perform?—A. No, I do not.

Q. You simply volunteer the opinion that you think he did not?—A. I simply volunteer it in this way; a man who is dead-drunk and full of whisky all the time is not competent to attend to any business.

Q. Do you know that he had not transacted his business before he drank anything?—A. I do not know that. I know that he was drunk all the time that he was there.

Q. How much money did you loan him while he was there?—A. I could not remember. It was small sums of money.

Q. Were you in the habit of loaning to other employés about the Post-Office Department?—A. No, not often; sometimes I did. Sometimes I loaned small sums to them, just as I would to anybody else.

Q. Did you not lend to a great many of these clerks and employés?—A. No, sir; I do not think I ever loaned any money to any clerk, except a man by the name of Turner.

By the CHAIRMAN:

Q. He had the same place that Mr. Sickles has now, had he not?—A. I think he was in the inspection bureau. He was discharged a year or two ago.

Q. He was a contract clerk?—A. Sickles is not a contract clerk; he is inspection clerk.

By Mr. AINSWORTH:

Q. Are you acquainted with Floyd?—A. Yes, sir; I know him very well.

Q. You never had any transactions with him, or loaned him money?—A. The only transaction I ever had with him was that I bought a boat for him, for which he agreed to pay \$90. That is what the boat cost; but I think he only paid \$30 on it. He was a boatman.

By Mr. CANNON:

Q. What kind of a boat was it; a pleasure-boat on the Potomac?—A. It was a little boat; not a shell.

Q. To row in?—A. Yes, sir; just a little boat to row in.

By Mr. AINSWORTH:

Q. You had no business transactions with General Smith or with Mr. Routt, or any other person there?—A. I did with Colonel Routt. I bought a pair of horses on three months' time from him, for which I paid him \$950. That was while he was in the Post-Office Department. He brought a lot of horses on from Bloomington and sold them. The only transaction that I have ever had with General Giles A. Smith—

By Mr. CANNON:

Q. You speak of paying \$950 for a pair of horses; what kind of horses were they?—A. They were a pair of gray horses, which I sold for \$1,000 cash.

Q. Then it was not an over-price that you paid for them?—A. No, sir; it was a fair price.

Q. Did the fact of Mr. Routt's being Second Assistant Postmaster-General have any influence upon you in buying those horses?—A. Not in the least, *pro* or *con*.

Q. You say you sold them for \$1,000?—A. For \$1,000.

Q. It was a *bona-fide* sale?—A. A *bona-fide* sale. Once I sent Colonel Routt a case of Vichy water, and he requested me not to send him anything more. I sent that because his son was sick.

By Mr. AINSWORTH:

Q. You commenced to state something in regard to General Smith, and were interrupted. Proceed now with your statement.—A. You asked me if I ever had any transactions with General Smith. I had, and very considerable. I was always a borrower of Mr. Smith. He was my colonel in the Army, and we became very intimate. When I left the Army I had but very little money. I had been practicing medicine in Saint Louis, which was not very lucrative. I suppose Giles A. Smith has loaned me, probably, at different times, from \$6,000 to \$8,000, while he was in the Department. Sometimes he would loan me \$1,000 at a time. I remember once he loaned me \$2,200, I think, and when he went away from here I owed him, I think, \$2,500 for money that I had borrowed at different times. I had a freight contract in New Orleans upon which I lost very heavily, and it kept me in hot water considerably.

Q. Did he ever have any interest in any of your contracts, or any lien upon them for this borrowed money?—A. No, sir; not in the least.

Q. What did you pay him for the use of the money?—A. I never paid him anything for it. It was simply an act of friendship on his part, and if he was here to-day, and had \$20,000, I believe I could borrow it from him.

Q. You could borrow it if you did not want it for Holbrook?—A. If I did not want it for Holbrook.

Q. What were the relations between you and Morgan L. Smith?—A. He and I were never friends; we were simply acquaintances.

Q. He never had any connection with any of your contracts, and never represented you at the Department in any way?—A. No, sir; when Giles A. Smith went away from here I owed him about \$2,500, and he wanted the money. Upon one or two occasions I gave Morgan L. Smith a draft, or probably two drafts on the Department, which he went out and got cashed, and I paid him a part of the proceeds on account. I think you will find the whole of that transaction up at Offley & Co.'s. In order to settle it up, I gave him, I think, two or three notes of \$500 each. Giles wrote to Morgan L. that he wanted the whole of it, and I settled it in that way. When the notes became due I paid them.

Q. When you borrowed money of Giles A. Smith, did you give him your notes?—A. Sometimes; yes, sir, and sometimes I did not. I remember I gave him a note at the National Bank once, and when it came due I did not have the money to pay it, and I think he went and took it up. I remember, though, that I afterward paid it.

Q. I believe you stated that you knew Mr. French.—A. Very well; yes, sir.

Q. Did you ever have any business transactions with Mr. French while he was in the Department?—A. Yes, sir; I had. Mr. French was in the life-insurance business, and sometimes I employed him, and sometimes other parties.

Q. In what sum did you insure your life with him?—A. Really I could not remember. Mr. French can tell you that.

Q. You have no idea?—A. No, sir; I have not now. I generally keep my life very largely insured because I am traveling so much.

Q. Where was the insurance effected, at the Department?—A. Yes, sir; sometimes right in the Department there. Sometimes he would sit at the desk and make out the application, and sometimes he would go to my room and make it out there.

Q. Did you ever make any presents to any other officer or employé of the Department, except Colonel Routt?—A. Yes, sir; I think probably I did. I think probably I have given them whisky and cigars, which I always thought was legitimate and fair.

Q. To whom?—A. I think probably I gave some cigars to Mr. Creswell, and probably some to Colonel McGrew and Giles A. Smith. Giles A. Smith ordered a thousand cigars once which Perkins and I did not intend he should pay for; but he insisted on our taking pay from him, and we did so.

Q. Did you know Channell?—A. No, sir; I never heard of him till the Kittle affair came out. I never knew that he was French's brother-in-law until then; I might probably have known him by sight, but not otherwise at all.

Q. Did you complain to the President of the treatment you had received from Holbrook in reference to that article?—A. I did not.

Q. You never had any conversation with the President in regard to Holbrook?—A. Neither directly nor indirectly about any of my business transactions with the Post-office Department in any shape, manner, or form.

Q. Did you, in Louisiana or elsewhere on the Mississippi, claim that you had any influence greater than any other person here at the Department?—A. No, sir, I did not; although, for a business man, probably it might have been very natural that I might make an assertion of that kind.

Q. Had you any other influences which other men had not to the same extent?—A. No, sir; that is one quarrel I had with Governor Jewell. He stated something of that kind. I wanted to know his authority, and he told me his authority was Postmaster Parker, at New Orleans. But Parker told me he never said anything of the kind.

By Mr. CANNON:

Q. You speak of giving cigars to Postmaster-General Creswell; to what extent and when did you give him cigars?—A. Probably it might have been two or three hundred; I can't remember now. I always thought it was perfectly legitimate.

Q. Did you send them or give them to him?—A. I think I gave them to him when he was down at New Orleans once, in company with Senator Cameron and a whole lot of others. When they started off, I went out and got them some three or four hundred cigars to smoke on the trip. They had been down there some time while I was away. They were a party of men who were fond of smoking. I have forgotten who was with Senator Cameron, but there were three or four parties together.

Q. Was the gift as much to Senator Cameron and others as to Mr. Creswell?—A. Yes, sir; I remember distinctly that they were all in the omnibus to start, and I said, "Mr. Creswell, here are some cigars for you to smoke while in the cars;" and I remember Mr. Creswell afterward told me they were very fine.

Q. Are those the only ones you ever gave to Mr. Creswell?—A. I think so. I don't recollect any others.

Q. Have you any recollection of ever making any other present?—A. Yes, sir; I gave him some claret, I think.

Q. When was that?—A. I can't tell you.

Q. Where was it?—A. I think I sent some here; I bought for Giles A. Smith a barrel of claret, which cost, I think, \$75 or \$80; for which, I think, he paid me, and which

he divided, I think, with Mr. Creswell; I am not positive of that, but that is my understanding.

Q. That was paid for?—A. Yes, sir.

Q. Is that all you recollect?—A. No; I suppose I gave him wine at different times, the same as I did to other people. I don't remember the exact quantity, quality, or price.

Q. Did you ever give any wine to anybody outside of the Department?

The WITNESS. Here in town?

Mr. CANNON. Yes, or anywhere else.

A. Yes, sir; I gave some to Mr. Belknap, but I do not recollect anything important about it, one way or the other.

Q. Did you ever get any advantages from Mr. Creswell, while he was Postmaster-General, or from Giles A. Smith, or any other post-office official, over anybody else?—

A. No, never; in other words, I think, if anything, Mr. Creswell was at times prejudiced against me.

Q. You speak of Giles A. Smith having been your colonel in the Army; how long had you been acquainted with him?—A. Morgan L. was first colonel of the Eighth Missouri, and after that Giles A. was. Giles had been captain of Company D, I think, and from the time he went into the regiment until I left the Army we were always together and always very intimate.

Q. Personal friends?—A. Very warm personal friends.

Q. This money that was loaned you by Giles A. Smith was loaned on account of friendship?—A. Yes, sir; nothing else in the world.

Q. You stated that you never paid any interest.—A. Never a dollar, one way or the other.

Q. Did he ever derive any profit in any manner from any of your contracts?—A. Not the least.

Q. At the time he ceased to be Second Assistant Postmaster-General, I believe you stated that you owed him about \$2,500?—A. Yes, sir; about that.

Q. Which you were not prepared to pay?—A. Which I was not prepared to pay.

Q. Where did he go when he ceased to be Second Assistant?—A. I think he went out to some place in California, fifty miles from San Francisco; I forget the name of the place.

Q. He went while you were in his debt?—A. Yes, sir.

Q. You spoke of giving Morgan L. Smith some drafts in part payment of the debt, and closing the balance by notes; were those payable to Morgan L. Smith?—A. Payable to Morgan L. Smith.

Q. Why did you do that?—A. Because he showed me a letter from his brother, Giles A., to himself, asking him to see if he could get the balance of the money that I owed him. I did not have the money, so I gave him a draft, or probably two drafts, and told him I would pay him \$500, I think, out of each draft; and he went and got them cashed.

Q. That was a draft on your mail-pay?—A. Yes, sir.

Q. The transaction was made at Offley & Co.'s, bankers?—A. Yes, sir. They have now got \$300 on the last note I paid them. The last note was for \$500. Offley & Co. loaned Morgan L. Smith \$200 and some odd on that, and there is still \$300 to the credit of Morgan L. Smith there.

Q. Sometimes I believe you stated that when Giles A. Smith loaned you money you gave him notes; and you spoke of a national bank. What bank was that?—A. The First National Bank; that was during Huntington's time.

Q. How long was it after you refused to make this loan to Holbrook while he was special agent in the Department (of which you have spoken) before he commenced making war on you and your contracts?—A. I don't think that at this time he was a special agent. It was a very short time after that, while he was in the Department.

Q. And he has continued from that time to the present, so far as you know?—A. No; I can't tell exactly. If I had the files of the New York Sun I could tell.

The CHAIRMAN. [To Mr. Cannon.] Ask him whether the New York Sun was after him particularly, more than others.

The WITNESS. The New York Sun was very particular on me.

The CHAIRMAN. And particular on some others?

The WITNESS. Yes after a while. Mr. Holbrook was considered a dead-beat by contractors generally; that was his reputation.

By Mr. CANNON:

Q. Do you know a Mr. Pendleton, who used to be special agent?—A. I have seen him several times, but never met him but once.

Q. Do you know when he ceased to be special agent?—A. No; I do not. I understood he was discharged during Mr. Creswell's administration.

Mr. CANNON here read the following from p. 1072, vol. 10, Congressional Record of February 8, 1875:

"Mr. ATKINS. I move that the rules be suspended and the following resolution adopted:

"*Resolved*, That the Postmaster-General be, and he is hereby, requested to inform this House whether B. H. Peterson has not a contract for carrying the United States mails on the Mississippi River, and on the Red River, and on any other river; and, if so, at what rate of compensation for each contract; and whether said Peterson is the owner or captain of any steamboat on either of said mail-routes, and whether he employs others, who are owners or captains of boats, to carry the mail for him; to whom the whole or any part of such compensation for carrying said mails is paid; and also, whether the Postmaster-General did not lately determine to annul the said contracts with the said Peterson and give them to another party, at a great saving to the Government, giving the amount of such saving and the reason why he did not carry out such intention.

"The motion to suspend the rules having been seconded, the rules were suspended two-thirds voting in favor thereof) and the resolution was adopted."

Q. I presume that is the same resolution you spoke of yesterday, in reply to the chairman.—A. Yes, sir.

Q. State if you saw a copy of that resolution prior to its introduction in the House.—A. I did.

Q. Be kind enough to state where.—A. It was at Willard's Hotel. I was at dinner, when Mr. Burns sent in his card that he wanted to see me. I was dining with General Beckwith, Acting Commissary of Subsistence. I had heard something about this resolution before dinner; so I sent word out that I would be out presently. I went out, and General Beckwith sat on the sofa with me. Burns brought up this resolution in writing, and handed it to me and asked me to read it. As I took the resolution a gentleman came in, whom Burns introduced to me as Mr. Pendleton. I read the resolution, and I said, "What does this mean?" Mr. Pendleton told me that Mr. Stone was going to introduce that resolution, but that if I saw proper it would not be introduced. I said to Mr. Pendleton and Mr. Burns, "Give my compliments to Mr. Stone, and tell him to introduce it as soon as he sees fit." The resolution was introduced, I think, the next day, by Mr. Atkins. I was also told, by Mr. Frank Morey, member of Congress from Louisiana—

Q. I suppose what Mr. Morey told you afterward would not be competent. You have no acquaintance with Mr. Stone, have you?—A. No, sir; I do not know that I know him by sight.

Q. Mr. Stone was not there at the time of this interview between you and Mr. Burns and Mr. Pendleton?—A. No.

Q. You never had any intimation from Mr. Stone that he would or would not introduce this resolution?—A. Never; only what I have stated.

Q. You do not know whether these men were authorized to represent Mr. Stone or not?—A. No; I do not believe now that he knew anything about their offering it to me.

Q. But that you do not know anything about, one way or the other?—A. Neither one way nor the other; I do not know anything about it. I would not do Mr. Stone any wrong.

Q. On page 427 of the testimony taken during this investigation is the following question addressed to Mr. McKibbin, together with his answer: "Q. I believe you stated that these charges originated with Mr. Holbrook and Mr. Pendleton?—A. I have only the general impression and belief in regard to that; I do not know positively; I have heard, particularly Holbrook, through a number of years—for the last two or three years—speaking about these things, about ripping up that and ripping up other things, and my impression is that they originated there. I do not know but what in conversation with some of the committee I may have heard so." Do you know of any other Mr. Pendleton about Washington, except that one, in connection with post-office matters, or who has had any such connection?—A. No; and I only saw him at the time he was introduced to me at the hotel by Mr. Burns.

By Mr. AINSWORTH:

Q. You spoke of Offley & Co. as being the bankers through whom the business between you and Smith was transacted.—A. Yes, sir.

Q. Morgan L. Smith is dead, is he not?—A. Yes, sir.

Q. Subsequent to his death, did you assume a debt which he owed at Offley & Co.'s?—A. No; the last note that was given was, I think, for \$500. Mr. Offley told me that they had loaned on that note to Morgan L. Smith, I believe, \$200. They further asked me to say nothing about the balance; they wanted a friend of theirs to have it.

Q. Did he not tell you that Morgan L. Smith owed him about \$800?—A. No, sir.

Q. Did not Offley discount for you a \$1,900 order?—A. I think he discounted one for \$1 700.

Q. Was not that in consideration that you would settle Morgan L. Smith's account with his bank?—A. No, sir; I suppose it was in this way: that probably he took out of that money the amount of that note I had given.

Q. Payment of that draft was suspended for a while, was it not?—A. I do not remember anything about the suspension. I remember that Mr. Offley cashed either one or two drafts for me, and I think he cashed one about the time this last note was coming due, and I think that was deducted from the amount of money.

Q. Do you remember that your acquaintance with Offley was made through Morgan L. Smith's introduction?—A. No; it was not; I know exactly how it was made. If I am not mistaken, Holbrook introduced Morgan L. Smith to Offley, though that is hearsay; I do not know about that.

Q. At the time this \$1,700 draft was held by Offley, did you not apply to Senator West to telegraph to the Department regarding certain matters?—A. I don't know but what I did once; I could not say positively about it. I may have done it, because very frequently I would ask favors of that kind. Sometimes I would want money very badly, and would ask somebody to go to the Department for me.

Q. There has been a rumor that you made to Senator West, during the time of your business transactions here in the Department, a present of a span of horses. State whether that rumor is true.—A. No, sir; it is not true. He paid me \$1,000 for the horses.

Q. Are those the horses which you purchased of Colonel Routt?—A. Yes; those are the gray horses which I bought of Routt. I made either \$50 or \$75, I don't know which. They were the handsomest pair of gray horses in this country.

Q. At the time that Holbrook applied to you for the loan which you refused, was he indebted to you?—A. No; not at that time. I had loaned him money previous to that time, but he had paid it back.

Q. He had always paid all moneys that he borrowed?—A. Yes, sir.

Q. State if you have seen anything in the action of Mr. Holbrook which would warrant your characterizing him as a dead-beat.—A. Nothing, with the exception of his drunkenness; and of course I would hear a great deal of what he said.

Q. But I ask you if you have seen anything in his action which would warrant you in characterizing him as a dead-beat?—A. No, sir; because I don't associate with people like Mr. Holbrook, and I know but very little about him.

Q. The fact of his borrowing of you and repaying is no evidence of a lack of integrity, is it?—A. No; I think not. If it was we would always be in a bad fix.

By Mr. CANNON:

Q. The arrangements you made with steamboat-owners were regular business arrangements, and the best that you could make?—A. They were the best I could make.

Q. And you sought, with your knowledge of the business and your business capacity, to make the best bargain you could?—A. Yes, sir.

WASHINGTON, July 19, 1876.

GEORGE P. FISHER sworn and examined.

The CHAIRMAN. I received a letter from you, Mr. Fisher, reciting that you wished to appear before this committee to make some statements in regard to your action as United States attorney in this District in the prosecution of Mr. Hinds, for participation in mail-frauds on the Post-Office Department. The committee is ready to hear any statement that you desire to make in that regard.

The WITNESS. I presume you received a letter from me, inasmuch as I sent one by last Saturday's mail from Milford, Del. I have here a written statement, made by myself, in regard to the Hinds case, which probably is in a better and more digested form than I could give it by word of mouth, and which, with your permission, I will read as my testimony. There were four cases against Hinds, indictments found by the grand jury at the March term, 1875, in the District of Columbia, in each of which he was charged with having bribed a clerk in the Contract Bureau of the Post-Office Department. One of these cases was tried at the close of the March term, 1875. The indictments were framed under section 5451 of the Revised Statutes, which makes it a penal offense for any person to bribe an officer of the United States, "with intent to induce him to do or to omit to do (*in futuro*) any act in violation of his lawful duty." It was under this section alone that indictments could possibly be framed against Hinds. I knew nothing about this case until I was sent for by Judge Spence, the Assistant Attorney-General for the Post-Office Department, to consult with him as to whether it was possible to frame an indictment against Hinds under any statute. We had a long consultation together upon this subject, and our conclusion was that we had a very poor chance of catching him at all, but if an indictment could be found it could only be done under the section to which I have alluded, and we communicated the result of our consultation to Mr. Jewell. Before the con-

sultation between Judge Spence and myself, it had been arranged, as I understood from Judge Spence, according to the best of my recollection, between Mr. Jewell and Petherbridge and Woodward, two of the detectives of that Department, that William D. Kittle, who had been, and proposed still to be, a contractor in the the Department for carrying the mails in some of the Southern States, should be made a Government witness to convict Hinds of bribing certain post-office clerks. I also learned that Floyd, Channell, Colt, and Rothrock (the three former being clerks in the contract bureau and Rothrock being messenger, I think) had also been made Government witnesses with the view of obtaining from them confessions in order to convict Hinds of bribery. Before the trial of the first indictment against Hinds, Mr. Woodward, I think, had come to my office once or twice for the purpose of endeavoring to persuade me to employ Mr. Riddle to assist me in the prosecution. I declined. He afterward came and asked that I should make a request of the Attorney-General that the present district attorney, Governor Wells, should be employed. I declined, stating that there was no need of any assistant counsel; that Judge Spence and myself, I thought, were capable of managing it; that I had not, in the four or five years that I had filled that office, ever asked for the employment of anybody to assist in the prosecution of any of the cases, no matter how important, except in the safe-burglary, in which I thought it was proper to take the prosecution out of my hands, inasmuch as it was my safe that was broken, and my assistant who was one of the parties charged with having had it broken into. I also stated that Judge Spence was to assist me, and that it would do more harm than good to have another counsel. Besides, it would be imposing an expense upon the Treasury, which I did not think was proper. The evidence in the case, as developed on the trial, was simply this: William D. Kittle, for the purpose of securing a large number of contracts for carrying the mail in the State of Texas, had paid, according to his own and other confessions, some three or four post-office clerks in the month of July, 1875, some \$5,000 or \$6,000 in the aggregate, for the purpose of inducing them to inspect the bids on certain routes which were advertised to be presented to the Department by a given day, (I think it was the 2d of February, though I cannot say positively,) and reporting to him (Kittle) the lowest of those several bids, and then to file for him (Kittle) lower bids, which were to be handed in by him after the day had passed by for receiving bids lawfully, and indorsing these spurious bids so as to have them appear to be filed in proper time. In so doing Kittle had certainly been guilty of an outrageous violation of the section to which I have just referred, and the clerks whom he had bribed were equally guilty under section 5501 of the Revised Statutes. But after Kittle had paid these bribes he seems to have suspected that Hinds, who, I believe, had also been a contractor, might also bribe the same men to give him (Hinds) the figures of Kittle's bids and to file bids for Hinds still lower than Kittle's, and have them indorsed as timely and lawful bids. Acting upon this suspicion, Kittle proposed to Hinds that they should enter into a copartnership, and that Hinds should have an equal interest with himself in the contracts about to be secured by Kittle's bribery, provided Hinds should repay Kittle one-half of the expenses Kittle had incurred in procuring those contracts. It was not shown by the evidence, and was not true in point of fact, that Hinds ever actually saw Kittle pay any bribe-money, and that Hinds had never repaid Kittle one dollar of the money he had expended in bribes was shown by the testimony of Kittle himself.

All the parties who were guilty of an offense under the Revised Statutes were made Government witnesses before I had any cognizance whatever of the case, and their confessions had been taken as such with that understanding. I might also say that if the facts which were proven by Kittle, Colt, Rothrock, Floyd, and Channell had been corroborated by other witnesses, still Hinds could not have been proven guilty by that testimony.

By Mr. LUTTRELL:

Question. Do I understand you to say that Postmaster-General Jewell, although you were the United States district attorney for this District, made that arrangement with those witnesses without consulting you?—Answer. I do not know who made the arrangement, but I know that that was the understanding when I was sent for to consult with Judge Spence. I was informed by Judge Spence that these men were to be used as witnesses. The offense, so far as they were concerned, was condoned. I thought it very strange that all the guilty parties, as I understood the case, should have been let go.

(Mr. Cannon objected to the statement of what the witness thought.)

By the CHAIRMAN:

Q. Did you communicate that impression to Mr. Jewell?—A. I did not communicate that to Mr. Jewell. I only told him, as Judge Spence did, that I thought that it was a forlorn hope to convict Hinds. After the trial of the first case against Hinds there were three others still pending, and I have in my hand a letter written a few days after the termination of that trial by Judge Spence. I thought the whole thing of trying to con-

vict Hinds and letting all the guilty parties go was preposterous, and Judge Spence and I consulted about what was best to be done, and he said he would consult with the Postmaster-General in reference to the other cases. After having seen the Postmaster-General he wrote me this letter:

"WASHINGTON, D. C., June 28, 1875.

"Hon. G. P. FISHER:

"DEAR JUDGE: Have seen the Postmaster-General. He consents that you shall enter *nolle pros.* in the untried cases against Hinds.

"Yours, truly,

"T. D. SPENCE."

Upon that authority I entered a *nolle pros.*, because it looked like a public exhibition of folly to be trying to convict Hinds and letting all the guilty parties go. In the trial of Hinds I had the assistance, both in and out of court, of Judge Spence, the law-officer of the Post-Office Department, a gentleman who has no superior at the bar of the District of Columbia. That is all I have to state, unless something further should be elicited by questions.

By Mr. LUTTRELL:

Q. I understand you to say that Kittle was the man who paid this money to the clerks?—A. The man who paid the money—the most unmitigated dog I ever saw in my life. He came in there and testified to his own disgrace as coolly as I ever heard anybody in the world.

Q. Was his offense also condoned by the Postmaster-General?—A. Yes, sir; as I understood; of course it was, or we would not have used him as a witness.

Q. Do you know whether or not he received any money from the Department subsequent to that time, or any settlement of fines and forfeitures?—A. I only know by rumor. I heard that he had. I think it was either from Mr. Cook or Mr. Holbrook that I heard it.

By Mr. MILLER:

Q. You heard that only as a rumor?—A. That is all. I heard somebody say so, but it was a matter in which I had no interest.

By Mr. AINSWORTH:

Q. Did you, previous to the trial, have any interview with Postmaster-General Jewell?—A. I did, I think twice, on both of which occasions I told him what I have said here, that the guilty parties were all made Government witnesses, and I did not think we would be able to accomplish anything against Hinds.

Q. In any of those interviews was there anything said by you or him regarding any arrangement having been made with these parties that they were to be witnesses?—A. Yes, sir. Their confessions had been taken with the understanding that they were to be witnesses. I do not recollect now distinctly, because I did not charge my memory with it, whether Mr. Jewell told me that they had confessed to him, or to Mr. Petherbridge, or Mr. Woodward, but my impression is that he said they had made their confessions in his presence.

Q. Did he seem then to understand fully the arrangement which had been made with those witnesses?—A. O, yes; all our conversation was based upon that hypothesis—proceeded from that starting-point.

Q. Who else was present besides yourselves?—A. Judge Spence was with me when I had one interview with him, but whether anything was said then about the arrangement for making those parties Government witnesses I do not recollect. I know he was with me when we spoke about the almost entire impossibility of succeeding in the prosecution of Hinds.

By Mr. CANNON:

Q. These indictments against Hinds were framed under section 5451 of the Revised Statutes?—A. Yes, sir.

Q. Did you put a count in the indictment charging him as an accessory after the fact?—A. No, sir.

Q. Why not?—A. Well, we thought that this was a new offense created by statute, and that there was no evidence showing that he had been accessory to it at all. One thing I forgot to mention in my statement, that there was produced on the trial the articles of copartnership between Kittle and Hinds, in which it was simply stated that Hinds was to bear one-half of the expenses of obtaining the contract. I did not think, and I believe Judge Spence did not, (Judge Spence, I think, drew up the indictments himself,) that it was an offense which admitted of an accessory, it being a new statutory offense, and not an offense under the common law.

Q. Then under the indictment, if he could be indicted at all, it would be as a party aiding and abetting the original bribery?—A. Yes, sir.

Q. These articles of copartnership between Hinds and Kittle, that you spoke of as being introduced in evidence, appeared to have been formed after this alleged bribery?—A. Yes, sir; Kittle stated when he produced those articles of copartnership just what I mentioned a while ago; that he had seen Hinds and told him that he had enough contracts for them both. I think there were one hundred and three that he had secured, or was likely to secure, in this way.

Q. Taking the evidence of Kittle to be true, with the evidence of the clerks who were used as witnesses on the part of the Government, what if any act was performed by the clerks in pursuance of this arrangement between Kittle and the clerks after Hinds was taken into copartnership?—A. None that I know of; none that came out in the testimony.

Q. In other words, were the dates of the contracts ascertained and Kittle's fraudulent bids, that had the fraudulent seal upon them, put among the bids after the arrangement between him and Hinds?—A. My recollection is that the work on Kittle's fraudulent bids had all been done without any knowledge on Hinds's part. The bids had been put in and recorded and indorsed as proper bids before that, and that after that, Kittle suspecting that Hinds might mine below him, went to him with these articles of copartnership, and Hinds put him off for a day or two, but finally agreed that he would sign them, and did sign them.

Q. Was the attention of the jury or the court directed to the fact, or was the position taken, that the claim of Hinds and Kittle jointly to profit by these fraudulent bids would be sufficient to hold Hinds as a confederate?—A. Yes, sir; that was a point that was made, that these articles of copartnership implicated him equally with Kittle. Of course I did not feel any confidence in the point.

Q. And that his acquiescence in the prior fraud and bribery of Kittle and his claiming under the contracts would be sufficient to make Hinds a confederate?—A. Yes, sir; we made that point in the argument to the jury.

Q. What was the ruling of the court upon that point?—A. I don't recollect now that the court ruled on that at all. I think, however, that the judge did charge the jury, and I think the substance of his charge was that this man must be shown to have given or offered a bribe.

Q. Then the only chance under the law and the evidence, as you understood it, to convict Hinds of bribery was upon the supposition that his acquiescence in this fraud after it came to his knowledge, (assuming that it was proven,) and his availing himself of it by claiming under these contracts, made him a confederate.—A. Yes, sir; there was one other matter in evidence that we tried to enforce upon the jury, and that was that some counterfeit stamp had been put on some of these contracts—I think, in Hinds's office—but we failed to prove that Hinds was present when it was done.

Q. However, that fact was in proof from his confederates?—A. The fact was in proof that some bids were stamped to give them the appearance of genuine bids, and that that stamping was done in Hinds's office.

Q. Was that proof also from the confederates?—A. Yes, sir; I believe it was.

Q. There was no proof that you are aware of, except from the confederates?—A. No, sir. The great mistake was in prosecuting Hinds instead of Kittle.

Q. Do you know that the Government was in possession of facts sufficient to have convicted Kittle and these clerks, without reference to their confessions?—A. No, I do not think they were; but I think that by the confession of one Kittle could have been convicted, and he was the most guilty party of all.

Q. But could he under the law and the practice have been convicted upon the evidence of a confederate, one of the clerks, without corroborating circumstances?—A. We should have had corroborating circumstances from Hinds, if they had made him a witness, because Kittle said that he went to Hinds and told him that he had secured enough of these contracts by bribery for both of them.

Q. That is, supposing that Hinds would have been a witness, and that he would not have been held as a confederate?—A. Yes, sir; and if the case had been presented to me in its inception he would not have been held as a confederate, but as a witness.

Q. Yet is it not true that with these articles of copartnership that were introduced in evidence, and with the additional fact in proof that this counterfeit stamp was placed upon these bids in Hinds's office, that would have been sufficient to have shown, if Hinds had been a witness, that he was a confederate?—A. I do not think it would. We had all that, and the jury said he was not guilty.

Q. But in that case the question of reasonable doubt applied. He was upon trial for the offense. If he had been used as a witness, it would not have been that kind of corroborating testimony that would have justified a jury in pronouncing a verdict of guilty?—A. I do not think the jury would have hesitated in pronouncing Kittle guilty any longer than they hesitated in pronouncing Hinds not guilty, if the testimony had been presented in the case against Kittle.

Q. But you are supposing now that if Kittle had been prosecuted, the clerks—one or more of them—would have made a confession? They might or might not have done so?—A. We do not know as to that.

Q. Of course, all that you know of the case, as I understand, was that you were called into it, and consulted with Judge Spence, you being informed that these clerks had made a confession, and that Kittle had made a confession, and that the arrangement was made that they were to be used as witnesses against Hinds. Of course, as to whether the confessions could have been had, and a case worked up against Kittle, you do not know?—A. I do not know anything about it except that if I had had the confession of one clerk, with Hinds's testimony and the articles of copartnership, I should have been able to convict Kittle.

Q. Yes, provided Hinds had confessed, and that the clerk had testified, and that you had the articles of copartnership.—A. I do not know, but I think Hinds had them.

Q. Do you know that Hinds would have testified in the case?—A. I do not know. He was here, and we would have summoned him and tried it.

Q. Yes; but without the confession of one or more of the clerks or of Kittle you do not know that the case would have been developed at all?—A. I do not know about that; but it would have been sufficient for me, after I had gotten the confession of one, to have stopped there, and, finding out who the really guilty man was, I should have directed my energies in that direction.

Q. But do you know whether it was not absolutely necessary to make some arrangement of the kind, or to get any confession at all from these parties?—A. I do not know about that. I was not called into the case at the time I ought to have been. If that had been a case arising under our Metropolitan police, the detectives put upon the track would have consulted with me from the inception of it to the conclusion.

Q. All you know about it is what you have stated, and your opinion in addition that there was no sufficient evidence?—A. Yes, sir.

By Mr. LUTTRELL:

Q. You were the United States district attorney at the time?—A. I was.

Q. And the proper party to present all these cases to the grand jury?—A. No. There you are laboring under an impression arising out of a peculiarity of the law of this District. The grand jury first act upon cases here by presentments. There is an old Maryland statute which does not allow a prosecuting attorney to make presentments. The grand jury find a presentment and see that the indictments are framed.

Q. You are called into consultation with the grand jury when these cases are presented and the presentments made?—A. Yes, sir; if they think they have any need of them.

By Mr. CANNON:

Q. Then, not having been called into the case until after the Post-Office Department had worked it up, and not knowing all the circumstances surrounding it, whether or not their action was wise in getting these confessions you do not know?—A. I do not. I only know that I was not called in at the beginning of the case.

Q. And that when you were called in, with the arrangements that had been made you did the best you could to make a really vigorous prosecution?—A. I did the best I could, and so did Judge Spence; and I will say that he made a very able argument, and such was the opinion of the bar who heard it.

Q. Not being in possession of all the facts surrounding the inception of this prosecution, you, of course, cannot state whether the action of the Department was wise or unwise up to the time that you got hold of it?—A. Not knowing the facts, I cannot give any opinion about that; but I feel it my duty to myself to say that if I had been called in consultation about this at the beginning I should not have gone to the extent of taking the confession of every party that was implicated in the crime, and making them witnesses for the Government with the view of convicting Hinds.

By Mr. LUTTRELL:

Q. Was he not considered the least guilty of them all?—A. He was not considered guilty at all by the jury or myself.

Q. And the others did escape under the plea of attempting to prove him guilty when he was not guilty?—A. Yes, sir.

By Mr. CANNON:

Q. Yet you do not know whether any of these parties refused to confess, unless all did, or not?—A. No; but I understood that they confessed one at a time.

Q. You do not know, however, what arrangement may have been made which operated upon their minds to procure confessions?—A. No, sir.

Q. Whether it was an agreement among themselves that the confessions of all should be taken or none, you have, of course, no knowledge?—A. None; but I should think that would be a very bungling job for a detective to put up.

Q. I am not speaking of the propriety or impropriety of the action, but I say that not being aware of the circumstances surrounding the case prior to the time when you were called into it, you cannot say, of your own knowledge, that the action of the Department was wise or unwise, up to that time?—A. I don't know what the action of

the Department may have been. I do think it was an unwise thing to make every party who participated in the crime a Government witness, with the view of convicting an innocent man. I think it was unwise, and unjust, as well.

Q. That would depend, however, upon the peculiar circumstances surrounding the case, would it not; and upon the knowledge that these parties might have as to whether Hinds was innocent or not innocent?—A. If you want my opinion, Mr. Cannon—

Mr. CANNON, (interposing.) No; I am trying to see what knowledge you had on the subject.

The WITNESS. I had knowledge that Colt, Channell, Floyd, Rothrock, and Kittle were made witnesses, and that they were all guilty of these crimes, every one of them.

Mr. CANNON. According to their own confessions?

The WITNESS. Yes; according to their own confessions.

The CHAIRMAN. According to the confession of each one of them?

The WITNESS. Yes; according to the confession of each one. And knowing that they had made these confessions, and knowing precisely what other testimony could have been brought against Hinds, I should never have thought of prosecuting him had it been left to my own judgment and discretion, but should have dismissed the clerks and also dismissed Kittle as a contractor.

Q. Do you know the circumstances and considerations that were brought to bear upon the clerks and upon Kittle, in detail, or in a body, that procured their confessions?—A. I do not.

By Mr. LUTTRELL:

Q. You state that the offenses of these several guilty parties were condoned by the Postmaster-General or the Department, in order that they might prosecute an innocent man?—A. In order that they might prosecute Mr. Hinds, whom I found afterward, on the testimony, to be innocent of the charge preferred against him.

By Mr. MILLER:

Q. Did you have any evidence of this bribery other than the confessions of Kittle and the clerks?—A. The testimony was just as I have stated it: the confessions of these guilty parties, the articles of copartnership entered into between Hinds and Kittle after the bribery had been done, and the fact that some of those spurious bids were stamped with a counterfeit of the stamp of the Department, in Hinds's office.

Q. All the contract between Kittle and Hinds, that you know of, was the contract in Kittle's possession?—A. It was produced there by Kittle.

Q. Were the confessions all in writing before the indictment—before you knew about the case?—A. No.

Q. You merely knew that those parties were going to make such confessions?—A. Yes, sir. Before we tried the case, Hinds was proceeded against before a commissioner, Mr. Edward C. Ingersoll, of the Bar of this District. He heard the case.

Q. Did the evidence on the trial turn out as strong against Hinds as was expected by you and Judge Spence when the indictment was found?—A. Yes; it did turn out as strong as expected when the indictment was found. The primary hearing was before the commissioner, and I was somewhat disappointed in my expectations there.

Q. That is, the evidence did not turn out so strong on the trial as you were at first led to suppose it would?—A. It did not.

Q. Do you know that the Postmaster-General was not equally disappointed with yourself in that respect?—A. I do not.

Q. You were led to believe, from the conversation which you had with Judge Spence and the Postmaster-General, that the evidence against Hinds would be stronger?—A. Not a great deal stronger, because I told Mr. Jewell that I thought it was a forlorn hope to attempt to convict Hinds upon the testimony as it was represented before the trial.

Q. But you supposed, when you were first admitted into the case, that the testimony would be stronger than it turned out to be?—A. Somewhat stronger.

Q. Was it not expected, when you were first taken into the case, that they would prove that Hinds was present in his office when that fraudulent stamp was put on?—A. That I don't recollect.

Q. As I understand you, they proved that the fraudulent stamp was affixed in his office?—A. Yes, sir; I think so.

Q. But failed to prove that he was present when it was done?—A. I think the proof was that he was not present; that he was in another room.

Q. Didn't you expect to prove that he was present?—A. That I don't recollect about; probably we did.

Q. If you could have proved that he was present at the affixing of those stamps, it would have made a pretty strong case against him, would it not?—A. Not very.

Q. Stronger than it turned out to be, however?—A. Yes.

Q. Do you know whether the confession of each of those clerks covered the same ground?—A. As I recollect now, each clerk was bribed separately; each made a separate case. There were four cases against Hinds.

Q. But the confession of Kittle was the strongest confession, as covering all the other cases?—A. Kittle's confession covered all the cases. He was the party bribing.

Q. So that the strongest evidence covering the whole matter was the confession of Kittle?—A. Yes, sir; he had made that confession to Hinds. He had told Hinds that he had bribed these clerks and secured 103 contracts.

Q. If Kittle had been indicted, and you had had his admissions against himself, you could have convicted him?—A. Yes, sir; with what we could have got from Hinds.

Q. Did that admission appear on the trial?—A. Yes, sir; it appeared that he went to Hinds and said, "It is not worth your while to operate with these clerks. I have got ahead of you. I have got 103 contracts, enough for us both."

Q. But the minutiae of that bribery are in Kittle's own confession?—A. Yes, sir.

Q. Do you know that it was not through Kittle that these clerks' confessions were brought about?—A. I do not know.

Q. You wrote a letter to the chairman of this committee?—A. I did.

Q. Was that letter written as a justification of yourself, or as a justification of Hinds?—A. I thought it was due to Mr. Hinds and myself both. As I understood from a newspaper article, Mr. Jewell had made some reflections upon me here, and I know he made those reflections upon me in the Cabinet, and had me removed from office on that account.

Q. I notice that you have testified here from a written statement. Was that statement written for publication?—A. I intend to publish it.

Q. As a defense of yourself against these attacks of Mr. Jewell?—A. In reply to this attack by Mr. Jewell.

By the CHAIRMAN :

Q. I understand from your testimony that you were sent for to confer with Judge Spence in regard to the preparation of this case and to get it into a position where an indictment could be found?—A. Yes, sir.

Q. You state that you and Judge Spence conferred in regard to this whole matter, and that you both came to the conclusion that it was a weak case against Mr. Hinds?—A. Yes, sir.

Q. If you can remember distinctly the general discussion between you and Judge Spence in regard to that matter, please state it.—A. Well, Judge Spence and I talked the matter over with regard to the form of indictment to be framed against Hinds, and we came to the conclusion that it was only under this section of the Revised Statutes, 5451, that we could convict him, if at all.

Q. Was the question discussed between you in that consultation whether the other parties in this matter could be convicted under that or any other law?—A. That matter was talked of; we had no doubt about that.

Q. You had no doubt that either one of those clerks or Mr. Kittle could be indicted?—A. The clerks were all liable to indictment under section 5501 for receiving a bribe, and Kittle was indictable under section 5451. What the evidence would have been if the Department had chosen to pursue Kittle and some of the clerks instead of Hinds, I do not know.

Q. When Mr. Jewell was on the stand I asked him this question: "Did you not think that Kittle and these clerks ought to be convicted, too?" His answer was, "It was difficult, as I understood at the time, to fasten an indictable offense on the clerks. While they had been guilty of conduct unbecoming an officer, improper, and tending to dishonesty, yet in several instances, if I recollect right, the offense could not be made out as a clear, a technical, violation of any statute or law."—A. That is all nonsense. The offense was perfectly clear; the offense was dead against them all. I don't know what the testimony would have been other than their own confessions; but they were guilty, and there was no technicality whatever in the way of indicting them, because the law is as plain as a pike-staff.

Q. Did you and Judge Spence, in your consultations, agree in regard to that matter?—A. O, yes.

Q. Did he ever give you any reason why he was insisting upon prosecuting Hinds and not the clerks?—A. No, sir; not that I recollect.

Q. Did you ask for any reason why that was done?—A. I did not.

Q. You and Judge Spence had a conference with the Postmaster-General, and reported to him that you thought it would be a very difficult matter and almost an impossibility?—A. Yes, sir.

Q. What did the Postmaster-General say?—A. He proposed the employment of additional counsel. I told him that that would not help the case; that I knew Judge Spence personally, and knew him to be one of the ablest lawyers in the District.

Q. In that conference did the Postmaster-General mention at the same time that you should also prosecute the other persons implicated?—A. I don't think anything was said about that, because I went into the case upon the understanding that all these parties were to be Government witnesses.

Q. Was there any reason given by the Postmaster-General or by Judge Spence why

the offense of these other parties was condoned?—A. I don't think any reason was given; if there was, I don't recollect it. I have heard since what was the reason.

Q. I asked the Postmaster-General this question: "Was there a decision by the law official of the Department that that was not a subject of indictment?" His answer was, "The United States attorney was consulted about all these matters, and he had charge of the cases. They had passed beyond my advice and jurisdiction. I was very much dissatisfied that more people were not punished, but I was powerless to help it." Were you, as United States attorney, ever asked by Mr. Jewell to prosecute all those parties?—A. No, sir.

Q. Or any of them except Hinds?—A. None of them except Hinds. I never told Mr. Jewell that there was any technicality in the way of prosecuting his clerks. I am sure I could not have so stultified myself when the statute was so plain. Mr. Jewell seemed to think that I was to blame also, because I brought up that case of Hinds when he was in the West. I wish to say on that point, that it was not in my power to control the order of cases or to control Mr. Jewell's whereabouts. The case was brought up in its turn.

Q. Mr. Jewell testified further, "I had an interview with the district attorney once or twice or thrice, and urged that these parties, if any of them had committed offenses, should be prosecuted; and I offered, if he had not time to attend to the cases himself, to obtain assistant counsel for him, which he declined." Did Mr. Jewell ever urge upon you to prosecute any of these parties except Hinds?—A. None. As to his suggestion in regard to the employment of assistant counsel, the mode in which he put that to me was a reflection upon my ability to prosecute the case myself without assistant counsel; and, as I have stated, I told him that Judge Spence was going to assist me, and that he was a very able lawyer.

Q. You state in your testimony here that Mr. Jewell showed anxiety to convict or prosecute Hinds; do you mean that he showed an anxiety to prosecute Hinds more than any other of the parties implicated?—A. I thought so.

Mr. CANNON suggested that the fair way would be to ask the witness to state all the facts.

By the CHAIRMAN:

Q. Please state why you came to that conclusion.—A. The whole thing struck me as very strange that Mr. Hinds, against whom, to say the best about it, the testimony was very weak, should have been selected for prosecution, and the others, against whom the case was perfectly plain, should have been made Government witnesses; another evidence of the Postmaster-General's anxiety was the fact that he wanted to employ additional counsel in the Hinds case—something which is rarely done except in very important cases. During my service as United States attorney I never had assistant counsel, except in the case of the safe-burglary, and I never desired it. I had sufficient help in my own office, and I did not think it a matter of economy to employ outsiders.

Q. I understand you say that the Postmaster-General never gave you any special or general instructions to prosecute any of the other parties in this matter?—A. Never.

INDEX.

	Page.
H. Clay Hopkins, special agent.....	1
P. H. Woodward, special agent.....	13
John A. Scudder, president Memphis and Saint Louis Packet Company.....	22
P. H. Woodward recalled.....	26
James W. Brady, clerk Sixth Auditor's Office.....	34
George W. Cheek, superintendent Memphis and Vicksburgh Packet Company..	35
J. M. Edmunds, postmaster Washington City.....	48
James Nicholas Callan, notary public, Washington.....	56
Thomas P. Leathers, steamboat-captain.....	59
Joseph F. Carrels, former special agent.....	69
T. L. Holbrook, former special agent.....	76
T. L. Holbrook, former special agent, recalled.....	83, 88, 97, 104
Josiah W. Bissell, postmaster Jenkins Valley, Miss.....	113
Edward F. O'Brien, physician, former clerk in Post-Office Department.....	115
Edward F. O'Brien recalled.....	119, 123, 133, 147
Correspondence between Edward F. O'Brien, H. M. Sweetser, and W. E. Niblack in regard to compensation of packet company during stoppage by ice.....	149
John E. Reeside, former mail-contractor.....	152
John E. Reeside recalled.....	159, 164
William Sickles, corresponding clerk contract bureau.....	180
William Sickles recalled.....	187, 199
J. M. Park, inspection-clerk Post-Office Department.....	213
William D. Kittle, former mail-contractor.....	222
William D. Kittle recalled.....	232
James N. Tyner, Second Assistant Postmaster-General.....	235
Edward Atkins, gunsmith.....	239
Albert G. Ryan, former Capitol policeman.....	241
W. T. Clark, witness to signature of W. D. Kittle.....	248
J. B. Underwood, special agent.....	249
J. B. Underwood recalled.....	262
Nicholas Callan recalled.....	269
J. B. Underwood recalled.....	269
S. B. Morehouse, special agent.....	278
Reports and correspondence as to route 8067, from Alexandria to Shreveport....	292
S. B. Morehouse, continued.....	299
James L. Fisk, journalist.....	300
Stillman A. Danforth describes the book-keeping of Barlow, Sanderson & Co., and relates conversations with Sanderson and Griffith.....	310
John R. Griffin, formerly book-keeper for Barlow, Sanderson & Co.....	321
Bradley Barlow, mail-contractor.....	337, 349, 362, 373
Joseph C. McKibbin.....	398, 409
The Patriot, extracts from.....	400
S. S. Huntley, mail-contractor.....	427, 439
J. T. Chidester, mail-contractor.....	448
D. P. Thompson, mail-contractor.....	456
Francis C. Taylor, employed by Sawyer & Ficklin.....	462
Testimony of Charles E. Clark, Sawyer's book-keeper.....	471, 508
Eunice B. Sawyer, widow of mail-contractor.....	474
Francis C. Taylor, recalled.....	475
J. L. Sanderson, of Barlow & Sanderson.....	477
Geo. W. Paschal, formerly counsel for Sawyer.....	489, 497, 506
Thomas Hood, lawyer and claim-agent.....	511
John L. Routt, Ex-Second Assistant Postmaster-General.....	520, 531
R. C. Kerens, contractor.....	537
John P. Taggart, unsuccessful bidder for contracts.....	546
Samuel M. Lake, clerk in Post-Office Department.....	551
Edward F. O'Brien, recalled.....	571
John L. French, chief clerk of Second Assistant Postmaster-Gen- eral.....	576

	Page.
Testimony of J. A. J. Creswell, Ex-Postmaster-General	577, 640
U. H. Painter	650
J. M. Edmunds	651
James N. Tyner	653

APPENDIX.

Letter of Postmaster-General and opinion of Attorney-General as to the law in relation to temporary contracts for mail-service	659-660
Revised Statutes, sections 3943 and 5540	662
Papers relating to increased mail facilities on Red River, La.	662 <i>et seq.</i>
Removal of A. Johnson, postmaster at Springville, Utah	667
Letter from C. W. Lowell, postmaster at New Orleans, in relation to route 8105, Ouachita River	667
"Case" for deduction and remission on same route, quarter ending September 30, 1870, as made by G. A. Sickles, clerk in Post-Office Department	667-668
Registers of arrivals and departures, same route	668, 674
Additional papers in relation to same route	671, 672
"Case" for deduction, same route, quarter ending December 31, 1870	673
Remission by "J. L. F"	673
Letter of G. A. Smith, Second Assistant Postmaster-General, notifying A. N. Smythe, contractor on route from New Orleans to Monroe, La., of deduction ..	679
Affidavits and letters in relation to same route	679
Registers route, New Orleans to Monroe, from September 1, 1870, to March 29, 1871	684 <i>et seq.</i>

ADDITIONAL TESTIMONY.

Testimony of Chas. Moore, ex-postmaster at Walla-Walla	703
Marshall Jewell, ex-Postmaster-General	710
Bowman H. Peterson	722-728
Geo. P. Fisher, ex-United States attorney for the District of Columbia	738

House documents

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